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AUTHOR	Pantaleev, Tzako; Kalandarova, Natalia; Dineva, Nedka; Panev, Georgi; Petrova, Iskra
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ABSTRACT

This report reviews the current situation of Bulgaria's vocational education and training (VET) system to identify challenges facing the system and areas needing reform. Section 1 explores the following five aspects of Bulgaria's political and socioeconomic situation: (1) demography; (2) economic developments (privatization of state enterprises, changes in production sectors, role of small and medium enterprises, role of self-employment); (3) social protection and social policy; (4) labor market (employment, unemployment, employment policies); and (5) regional developments. The following four aspects of Bulgaria's VET system are characterized in section 2: (1) organization of education and training (general education and VET at the secondary, postsecondary, and higher education levels); (2) provision of VET; (3) adaptation of VET to socioeconomic change (development of occupational families and profiles, development of new curricula, quality control and recognition of qualifications, career guidance); and (4) shaping VET polity (social dialogue, the industrial relations system, and the involvement of enterprises). Sections 3-9 discuss the following topics: (1) continuing vocational training, adult education, and management training; (2) responsible bodies (characteristics, centralization/decentralization, common standards); (3) legislation; (4) financial support; (5) bilateral and multilateral donors' contributions to VET reform (European Union Phare, World Bank, United Nations, and bilateral projects); (6) VET research; and (7) constraints, challenges, and further needs. The report contains 20 references. (MN)

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THE VOCATIONAL EDUCATION AND TRAINING SYSTEM IN BULGARIA

Current situation, challenges and reform needs

Prepared by:
Dr Tzako Pantaleev, BNO Team Leader
Dr Natalia Kalandarova, BNO Expert
Mrs Nedka Dineva, BNO Expert
Mr Georgi Panev, BNO Administration and Financial Officer
Ms Iskra Petrova, BNO Technical Assistant

Bulgarian National Observatory
for Vocational education, training and the Labour market
15 Graf Ignatiev St., 4th floor, 1000 Sofia, Bulgaria
Tel/Fax ++359 2 980 85 50
E-mail: 0511@mbox.infotel.bg
Home page: http:\\www.etf.eu.int\no.bg\

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BULGARIA

1 THE POLITICAL AND SOCIO-ECONOMIC BACKGROUND

Bulgaria has undergone far-reaching socio-economic changes in recent years. The basic legislative and economic conditions for making the transition towards a pluralist civil society – respect for human rights and free enterprise – have been put in place. The country is experiencing radical economic reforms, aimed at establishing and developing a market economy and democratic institutions.

The Bulgarian Europe Agreement was signed on 4 October 1993, and took effect on February 1st 1995. Bulgaria formally submitted its application to the European Union at the Madrid Summit in December 1995.

Bulgaria is not only facing the transition to democracy and a market economy, but must also meet the challenge of enhancing the process of association of the countries of Central and Eastern Europe to the European Union. Following the April 1997 elections, the Bulgarian Government took proactive steps to improve Bulgaria's reputation, attract European and global investment and foster the integration initiatives.

Bulgaria's problems are not all home-grown. Policy-makers are constrained by certain objective factors making transition more difficult. These include a very high level of inherited foreign debt, a frightening "brain-drain", trade losses due to the Gulf War and the conflicts in former Yugoslavia, as well as over-industrialisation under Communism.

While the Bulgarian education and training system still achieves very good results, in recent years it has had grave difficulty adapting to recognised European standards. Such adaptation is necessary if the Bulgarian education and training system is to be integrated into the international educational services market.

Adapting vocational training to the changing national economy also depends on the economic restructuring policy itself. The lack of a clear direction in economic policy makes it very difficult to reform the vocational education and training system.

The ownership structure of industrial production has yet to change significantly. Many of the 'privatised' firms remain under state control. Faced with an absence of soft credit, enterprise has been further weakened by the comparatively slow pace of privatisation. By early 1994, barely 100 enterprises had been privatised, giving Bulgaria the lowest Central and Eastern European ranking for this transition indicator. By the end of 1995, some 85% of enterprises remained in state ownership. It was only in 1996 that the process accelerated with the start of mass privatisation using a voucher system. At the beginning of 1997, measures were introduced to facilitate the privatisation process, which is expected to peak at the end of this year.

In 1996, the prospects for a smooth transition were seriously affected by economic crises (banking collapse and hyperinflation), social crises (grain and bread shortages), and political crises (the row over the presidential elections). The newly elected President, Petar Stojanov, who assumed office in January 1997, and the new government of the Democratic Forces are faced with the task of securing greater consensus and compromise between the political parties, as well as introducing the Currency Board to stabilise the country's economic and financial.

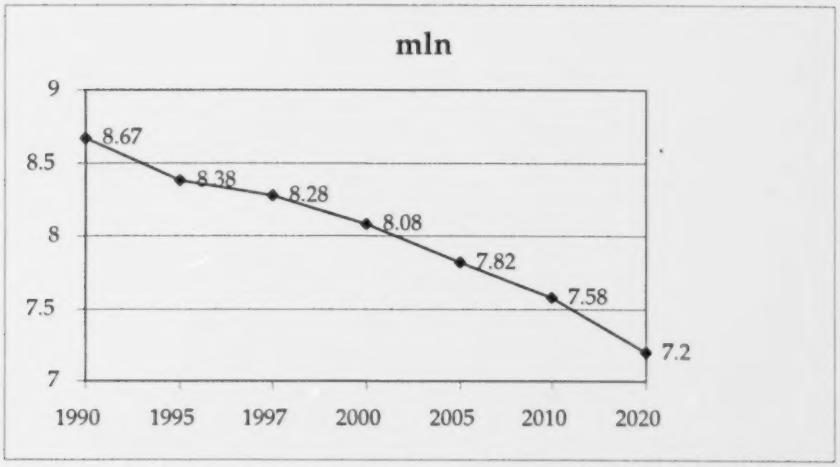
1.1 Demography

Bulgaria has suffered diverse political, economic, financial and other crises in the past seven to eight years. Although most of these have been, or are being, overcome, the demographic crisis is worsening and is expected to last longest. A characteristic feature of the demographic development for the 1990—1997 period is the increased slow-down in population reproduction, triggering a significant population decrease.

1.1.1 Total population

Bulgaria had a total population of 8,283,000 at the end of 1997. This represented a population decrease of 386,000 compared to 1990, equivalent to an annual drop of around 55,000. With about 1% of Europe's total population, Bulgaria is ranked 20th out of the 46 European countries in population terms. The National Statistical Institute's demographic forecast indicates that, while the average annual rate of population decrease will change significantly in the next 15—20 years, the rate of decrease will remain high. The population is expected to drop by 7.1 per 1,000 between 1996—2000 and by 6.3 from 2005—2010. The population will thus continue falling to 8,100,000 by the end of the century, 7,600,000 by 2010 and 7,200,000 by the end of 2020 (Fig. 1).

Figure 1 - Population trends 1990—2000



Source: National Statistical Institute

Falling birth rates and increased death rates are resulting in an increasingly negative natural population growth.

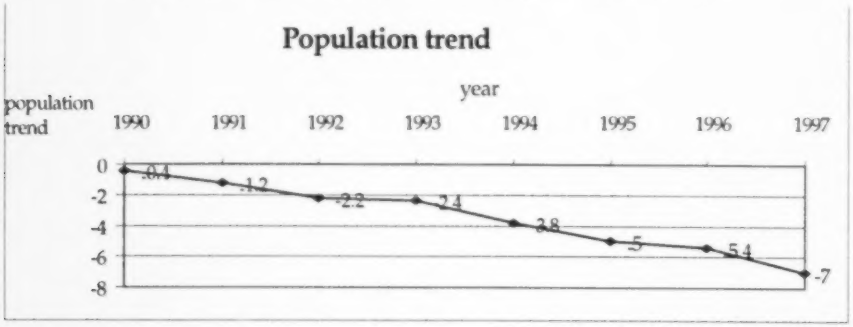
In 1997, there were just 64,100 births, representing a nadir in Bulgaria's demographic history. The birth-rate coefficient has fallen steadily since 1950, dropping to 17.8 per 1,000 people in 1960, 14.5 in 1980, 12.1 in 1990 and just 7.7 in 1997. This is the lowest birth-rate coefficient in Europe

Figure 2 - Birth-rate coefficients for the period 1980—1997

Source: National Statistical Institute

In 1997, deaths reached 122,000, or 14.7 per 1,000. Infant mortality reached 17.5 per 1,000 live births. Since 1990, there has been a negative population trend, culminating in – 7 per 1,000 population in 1997.

Figure 3 - Natural population trend from 1990 to 1997



Source: National Statistical Institute

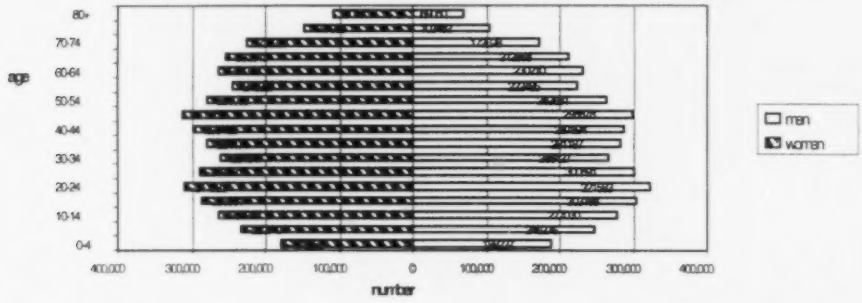
1.1.2 Population density

With an area of 110, 993 km² and a population of 8,283,000 people, Bulgaria's population density was 74.6 /km² at the end of 1997.

1.1.3 *Age structure of the population*

The period 1990—1997 saw considerable changes in the population age structure, reflecting an increasingly ageing population. The proportion of those under 15 years fell from 20.1% in 1990 to 16.7% in 1997, a drop of 3.4 percentage points. At the same time, the proportion of those over sixty rose from 19.6% in 1990 to 21.6% in 1997.

Figure 4 - Population breakdown by gender and age – 31 December 1997



Source: National Statistical Institute

The ageing of the population is more evident amongst women than men, and in villages than in towns. By the end of 1997, one in three village residents was of retirement age.

1.1.4 *Urban population*

The general population decrease is reflected in the numbers living in towns and villages. At present, 5,609,000 people live in towns – 209,000 less than in 1990, or a drop of 3.6%.

2,674,000 Bulgarians live in villages. The reduction in the numbers living in villages is due, not only to the negative population trend already mentioned, but also to a movement from villages into towns and cities. In recent years the urban population has stabilised at around 68% of the total population.

1.1.5 *Ethnic profile of the population*

Based on the 1992 census, Bulgaria's ethnic breakdown was as follows:

- Bulgarian — 85.7%
- Turkish — 9.4%
- Romany peoples — 3.7%
- Tartar — 0.1%
- Armenian — 0.2%
- Others — 1.0%

Ethnic Bulgarians and the Romany people tend to be concentrated in the cities, while ethnic Turks tend to live in villages.

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1.1.6 Languages

According to the Bulgarian Constitution the official language is Bulgarian.

If one defines a person's native language as the language spoken most fluently and used most frequently for family communication, the languages spoken within Bulgaria closely mirror the country's ethnic composition.

The 1992 census indicates native languages as follows:

- Bulgarian — 85.7%
- Turkish — 9.6%
- Romany — 3.7%
- Others — 1.0%

1.2 Economic developments

1.2.1 Gross domestic product

According to preliminary data released by the National Statistical Institute, the 1997 GDP was 17,103,000,000 Leva based on current prices; this drops by 10.5% when calculated according to 1996 prices.

Table 1 - Gross domestic product for the period 1992—1997

	1992*	1993	1994	1995	1996	1997**
GDP in billion $	8,605	10,812	9,688	13,106	9,946	10,202

Source: National Statistical Institute

1.2.2 Gross per capita domestic product in terms of purchasing power parity (PPP)

Per capita GDP in 1996 was $ 4,190.

Table 2 - Per capita GDP for the period 1992—1996

	1992	1993	1994**	1995**	1996**
GDP (PPP-$)	4,112	4,193	4,377	4,588	4,190

Source: Short term economic indicators, OECD, July 1997

The low level of per capita GDP, which fell by 8.7% from 1995 to 1996, is a symptom of the level of economic crisis in the country.

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* The data for 1992 and 1993 include the holdings' profits.
** Preliminary data

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1.2.3 *Average annual inflation*

From 1990 to 1997, inflation alternately subsided and accelerated, peaking in January and February 1997. Thus, the average annual rate of inflation, where the preceding year is taken as the baseline equal to 100, varies within broad boundaries — from 123.8 in 1990 to 1,182.3 in 1997 (Table 3).

Table 3 - Average annual inflation for the period 1990—1997

	1990	1991	1992	1993	1994	1995	1996	1997
AAI	123.8	438.5	179.4	156.1	187.1	162.1	223.0	1,182.3

Source: National Statistical Institute

Under the influence of significant economic and political factors, substantial cash market imbalance arose in January and February 1997, triggering rapid devaluation of Bulgaria's currency. Taking December 1996 as the baseline, inflation reached 242.7% in the first two months of 1997. Some experts feel that this bordered on hyperinflation, although some of the characteristics of hyperinflation were absent. Political changes and, in particular, the introduction of the Monetary Board, resulted in inflation slowing down to 16.2% during the second half of 1997. Nevertheless, the year-on-year rate of inflation has numerous adverse economic effects and real income per household member was reduced by 14.9%.

1.2.4 *Privatisation of state enterprises*

According to the Privatisation Agency, around 21% of Long Term Material Assets had been denationalised from the start of the privatisation process in June 1992 to the end of the December 1997. In 1997, 3.9% of Long Term Material Assets were privatised, and the proportion of denationalised assets is expected to reach 40% by the end of 1998. Denationalisation is carried out both through cash purchase and through mass privatisation, and encompasses the privatisation of whole enterprises owned by the state or communities, as well as of isolated units.

With regard to cash privatisation, municipal property has tended to be denationalised more than state property, with around five municipal enterprises being denationalised for each state enterprise. However, over 90% of privatisation transactions involve the sale of isolated units such as workshops, trade complexes or individual shops, restaurants, warehouses and the like. Less than 10% of privatisation involves the sale of entire enterprises, mainly SMEs.

The Privatisation Funds' mass privatisation effort is also aimed at purchasing shares in enterprises with comparatively low capital, mainly in the food-processing, tourism and trade sectors.

1.2.5 *Changes in production sectors*

Due to the ongoing privatisation of state enterprises and the restructuring of production, there are no clear indications of new industries and production sectors emerging. It is clear that there was a general slowdown in production in 1997 when compared with the previous year, with total industrial production falling by 8.6%.

However, production has increased in some sectors, notably by 5.9% in the electricity sector, 12.4% in the metallurgy sector, and 5.4 % in the metal casting and processing, machine and equipment manufacturing sectors. Apart from these sectors, production fell below 1996 levels. In the country's main industries – food, drink, tobacco and refined petrol products – there were significant drops of between 18.1% and 24.3% in production levels.

During 1997, ownership changes resulted in significant changes in the structure of production. Private industry accounted for 30.4% of production, up from 14.5% in 1996, a change largely due to the mass privatisation programme.

1.2.6 *Role of small and medium size enterprises*

The number of companies registered in Bulgaria increased sharply in recent years, reaching 456,800 by the end of 1997. Most of these new companies are sole traders as defined by Bulgaria's Trade Act. Naturally, entrepreneurs tend to be located in the cities, and especially the capital, rather than in the villages. Over 80% of Bulgarian entrepreneurs have completed second or third level education. The profile of entrepreneurs is youthful, with one-third of companies being managed by those in the 30-40 age group.

The new legislation defines companies employing up to 50 workers as small enterprises, those employing between 51 and 100 workers as medium-sized enterprises and the remainder as large enterprises.

According to this definition, 96% of registered active companies are classed as small enterprises. Most of them are in the private sector, where they account for 98% of all registered active companies. Around 40% of these companies have no employees, while 83% of all small companies employ nine or less workers. The majority of such companies are thus family businesses securing work and income for the household.

Medium-sized enterprises account for under 2% of all registered active companies, and this figure falls below 1% in the private sector.

Over half those employed in the private sector work in small companies and around 10% in medium-sized enterprises.

Small companies account for over 60% of sales revenue in the private sector, while medium-sized enterprises account for around 7% and large companies around 33% of sales revenue.

1.2.7 *Role of self-employment*

According to the labour force survey, 293,700 people were self-employed in November 1997, representing 9.7% of total employment. This is an increase of 31,000, or 11.8%, over the previous year.

Self-employment currently provides an outlet for some of those made redundant as a result of structural reforms, providing such workers with an income and reducing unemployment. The Bulgarian government has encouraged independent business start-ups by paying workers made redundant as a result of structural reforms a lump sum sufficient to start up businesses.

1.3 Social protection and social policy

The policy framework for social support and integration is defined by the social legislation currently on the statute books (Labour Code, Pensions Act, Law against Unemployment, Disabilities Act). This social legislation does not fully meet the real needs of society, and urgently needs to be supplemented with legislation covering social and health insurance, social support, family and child protection, consumer protection and other areas.

Government policies for combating social inequality are reflected in the National Programme for Social Development, which was adopted in the context of the implementation of the Declaration and the Programme for Action for Social Development that resulted from the high level meeting in Copenhagen. The basic areas addressed in this programme are:

- measures for mitigating and alleviating poverty;
- measures for increasing employment and reducing unemployment; and
- measures for the social integration and reintegration of dependent population groups.

One of the important aims of social policy defined in the Labour Code is the preservation of workers' life, health and working ability. In order to realise this aim, the Ministry of Labour and Social Policy together with the Ministry of Health, the Ministry of Internal Affairs and the Committee on Standardisation and Metrology, has cooperated in developing a common policy designed to ensure safe and healthy working conditions. Together, the ministries define priorities and have put in place a step-by-step programme to flesh out new basic standards which conform to the requirements of the European Union and other international organisations.

The legal framework will define the rights and obligations of workers so as to ensure safe and healthy working conditions. State labour safety standards must be ratified and must apply to all manufacturing and other sectors, regardless of the form of ownership. It is also intended to devise economic incentives and other mechanisms to encourage an improvement in working conditions.

A Consultative Council for Social Problems has been established. The Council's mandate is to liase with a wide circle of public, scientific and professional organisations to address current issues and propose relevant legislation.

The priority in the field of social security is to set pensions, temporary disability payments and other insurance benefits in direct relation to length of service and number of contributions. Efforts are aimed at gradually changing the uniformity of pension rates among different social groups and occupations. In order to achieve this, the Government considered and accepted a draft bill to separate the Social Security Fund from the budget. Once passed by Parliament, the act democratised the management of public insurance. It also released some additional resources to increase pensions and other insurance payments, thus initiating real reform in the system of social security.

In recent years, the national system for social care has gradually moved from an orientation towards poverty mitigation to one of protecting social rights and social well-being. A significant portion of social spending is on benefits in kind — food, clothes, medicines, transport and electricity expenses, as well as funding for public, school and other canteens. Timely indexation of social payments has enabled the Government to preserve the level of buying power. In addition, a new methodology and mechanism for defining, regulating and paying social assistance has been devised.

Measures for integrating and reintegrating disadvantaged groups, reducing the burden of unemployment, defining maximum unemployment periods, as well as creating and maintaining jobs, are essential elements in current active labour market policies. These objectives underlie a series of programmes directed at different target groups in the labour force — the unemployed, those registered in Labour Offices, as well as those employed but in danger of becoming redundant due to the restructuring of production and the implementation of new technologies. Some of the programmes are listed below.

- "Programme for the vocational qualification of workers with a specific social status (deaf and dumb) from 'Silent Labour' Inc., Stara Zagora". This programme aims at protecting the employment of persons likely to become redundant due to the restructuring of production, by providing such persons with new qualifications.
- *"Programme for the rehabilitation and retraining of the blind"* — Plovdiv. This programme provides blind citizens with training in sought-after vocations and specialisations, helping them to acquire jobs.
- *"Literacy, qualification and employment"* is a programme being implemented in regions with an ethnically mixed population.
- "Programme for supporting the re-socialisation of persons deprived of freedom". This is a programme for vocational qualification and retraining.
- *"From social care to employment"* is a programme directed at groups who are receiving social care and support.
- *"Servicing people with disabilities in Labour Offices"* is a project, aimed at supporting the social and occupational integration of people with disabilities by delivering quality services, and by proactive and effective cooperation with employers.
- There is also a package of measures in the Law against Unemployment aimed at encouraging employers to employ people from disadvantaged groups, such as young people, orphans and people with disabilities.

1.4 The labour market

Labour market reforms are directly impacted by political, economic and social reforms. Such reforms include processes aimed at replacing the labour market characteristics typical of a centrally planned economy and implementing market principles in the area of labour relations.

An analysis of trends in the development and basic characteristics of the labour market in recent years leads one to the conclusion that the formation and development of Bulgaria's labour market has been characterised by segmentation and fragmentation. Traits include:

- the preservation of a strong institutional presence;
- the formation of separate labour force groups based on different characteristics; and
- the existence of disadvantaged and "at risk" groups with a restricted ability to compete equally in the labour market, including young people, the long-term unemployed, people with disabilities, ethnic minorities, those with criminal records etc.

The most important general characteristics of the labour market are outlined in the sub-sections that follow.

1.4.1 Employment

There are unstable and contradictory trends in the level of **economic activity** of the population. In contrast to the slight increase in the economic activity indicator for the period 1995—1996 (just 0.3 points), there was a 0.2 point decrease for the period November 1996 — November 1997. A total of 51.6% of the active population is economically active. Although the trend in towns is, typically, negative, there is a slight increase of 0.5 points in economic activity in villages. Male economic activity remained unaltered, at 56.7%, during this period while there was a slight decrease of 0.4 points in female economic activity, caused by earlier retirement and by women leaving the labour market because of childbirth. In respect of age, there is a decreasing tendency in the economic activity of those aged between 15 and 45 and a clear increase in the economic activity of those aged between 45 and 64. Seasonal fluctuations can be observed, caused by the development of seasonal production and activities.

Table 4 - Employment in Bulgaria

	1990	1991	1992	1993	1994	1995	1996	1997
Total – thousands	**4,096**	**3,466**	**3,273**	**3,221**	**3,241**	**3,310**	**3,279**	**3,030**[1]
Public sector	3,846	3,189	2,662	2,266	2,032	1,924	1,901	1,501
Private sector	250	277	611	912	1,167	1,348	1,377	1,529

Source: National Statistical Institute

There is an apparent decrease in the tendency towards an **imbalance between supply and demand in the labour force** in respect of general employment for the period 1990—1997. This trend slowed down in 1994, when the number of those employed in the economy as a whole started slowly to increase, reaching 3,030,100 in November 1997, equivalent to 43.9% of the active population. For the period from November 1996 to November 1997, the employment rate decreased by 0.8 points, from 44.7% to 43.9%. For obvious reasons, the figures for cities are higher than those for the villages, although there was a decrease in the rate for cities.

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1 November 1997

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The trend towards a general decrease in employment is due to economic stagnation, the closure of loss-making state enterprises and insufficient development of the private sector. Nevertheless, the development of the private sector and ongoing proactive labour market policies definitely have a positive influence on employment.

There is a clear and sustained negative trend in **employment** in the public sector, and a corresponding increase in private sector employment. From 1989 to 1997, the relative share of those employed in the private sector, as a percentage of all employed persons, increased from 5.5% to 43.0%. Unfortunately, private sector development cannot compensate for the fall in public sector jobs and employment opportunities.

In terms of **domains, sectors and branches,** the pace of change caused by economic restructuring and privatisation of state enterprises is uneven. Employment in the manufacturing sector has tended to decrease, while that in the service sector has tended to increase. In 1996, 42.5% of all those employed worked in the service sector. This figure does not reflect the actual needs and potential of the service sector. The ratio between those employed in manufacturing and services differs between the private and public sectors. In 1996, the public sector ratio was 50.6:49.4 while that in the private sector was 67.0:33.0.

Changes in the patterns of employment in the **different branches of the economy** are different in the private and public sectors. In the public sector, the greatest share of employment is in manufacturing, followed by agriculture, construction and forestry. Within the private sector, however, agriculture dominates.

Despite positive tendencies, the distribution of employment among **the different branches of the economy** differs greatly from the rational shares typical of developed market economies, which may imply ineffective use of the labour force.

One can observe a decreasing tendency in general employment **for both men and women**, although this tendency is more significant in respect of women. The male employment rate for the period November 1996 from November 1997 decreased by 0.6 points, while the female employment rate decreased by 1.0 points for the same period. This is due to reduced labour force demand, the lower competitive ability of women on the labour market and the increased likelihood of women being made redundant.

In terms of the **youth labour force,** the following clear tendencies can be observed:

- ç a decrease of both the absolute number and the relative share of young men in the active population and in the labour force;
- ç a decreased youth share in the employment structure, from 9.3% in 1993 to 8.2% in 1997[2];
- ç an increase in the share of young people amongst those not participating in the labour force or the labour market;
- ç a slight decrease in the youth employment rate in 1997 (by 0.8 points compared to 1996); and
- ç a continuing high relative share of young people in the total number of those unemployed, 26.1% in November 1997.

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2 In terms of youth employment status, the 1997 structure was as follows: employers — 2.0%; self-employed — 9.7%; employed — 86.0%; unpaid family workers — 1.9%. 28.7% of employed young people work in private companies

Table 5 - Employment rates by age and gender of population at age of 15 and more in percentages

Age	Employment rate					
	November 1996			November 1997		
	Total	Men	women	total	men	women
Total	**44.7**	**49.0**	**40.7**	**43.9**	**48.4**	**39.7**
15-24	21.1	21.7	20.4	20.3	21.2	19.3
25-34	69.9	74.5	65.1	68.7	73.0	64.4
35-44	81.4	82.4	80.5	79.5	80.6	78.4
45-54	76.5	78.4	74.6	75.9	78.2	73.6
55-64	20.1	33.2	8.4	21.4	34.5	9.9
65 and more	2.0	3.1	1.1	1.9	3.3	0.8

Source: National Statistical Institute

Table 6 - Relative share of youth in the work force

Relative youth share in:	Sep. 93	June 94	June 95	June 96	June 97	Nov. 97
Active population	13.80	12.70	12.00	11.70	10.50	10.90
Employed	9.30	9.10	8.80	8.50	8.06	8.18
Unemployed	30.50	26.80	29.00	30.20	25.40	26.80
Work force out of the labour market	22.80	23.90	25.10	24.90	26.80	25.05

Source: National Statistical Institute

One must remember that it is young people who will determine the way the labour market develops in both the short and the long term and this will influence economic growth rates to some extent. This consideration must form the basis for defining strategy, policy and labour market measures on the employment of this cohort and its active participation in the labour market.

ç The decrease in the total employment rate determines the extent to which the rate for groups with differing educational attainment decreases. The employment rate is highest for those with **higher educational attainments**. In November 1997, 73.9% of people with higher education were employed, compared to only 23.5% of those who had completed primary education or a lower level of education. This is despite the tendency towards a lower rate of decrease in the level of employment for this group compared to groups with higher levels of education. The higher demand for executive staff without educational qualifications during the transition period – a demand which had diverse causes – has not led to a significant increase in the employment rate of people from this group.

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- There are slight indications that the **labour force demand** is growing. According to the Labour Offices, there were 6.9% more vacant positions in 1996 than in 1995. The increase is slightly less than that achieved during the period 1994-1995. There is a seasonal aspect to labour force demand due to the development of some seasonal activities such as tourism, agriculture, forestry etc. The demand for qualified workers/specialists has increased, while the demand for unqualified workers remains greatest. There is an excess of vacant positions over applicants for temporary and seasonal employment and this has a negative impact on the labour market.
- **New forms of employment** are emerging among the active population, an increasing number of whom are becoming self-employed, working as unpaid family employees or becoming employers. When viewing the employment structure in terms of employment status, an increase from 8.5% to 9.7% in both the absolute number and the relative share of self-employed persons can be observed in the period from November 1996 to November 1997. This tendency is especially marked with regard to women, whose self-employment rate increased by 1.4 points. Women's entrepreneurial activity, and labour market activity in general, has been significant. The development of new forms of employment has been at the expense of employment in the public and private sectors, where a 1.9 point decrease was observed during the past year.

1.4.2 Unemployment

Unemployment trends in recent years have been directly connected to economic transformations and changes in employment dynamics. The highest level of unemployment, at 16.3%, was registered during 1993. This was the worst year in terms of employment, when the rate of decrease in employment peaked. During the following two years, the general level of unemployment tended to decrease and fell to 11.1% in 1995. Since the end of 1996, by contrast, there has been a tendency for unemployment to increase. This trend has continued in 1997 (14.5% in March, 15.3% in April, 14.8% in May, 15.0% in November 1997). The total number of unemployed in May 1997 was 567,320.

The increase in the level of unemployment is due to growing numbers being made redundant, as a result of the restructuring of production, of the closure of inefficient enterprises and activities and of changes in the requirements of the social care system. Among the unemployed, the biggest group are those registered unemployed who have no right to benefit or social assistance, followed by the registered unemployed who have a right to benefit. There are relatively significant differences in the regional rates of unemployment, which range from 8.4% in Sofia to 18.1% in the Bourgas District and 17.9% in the Russe District.

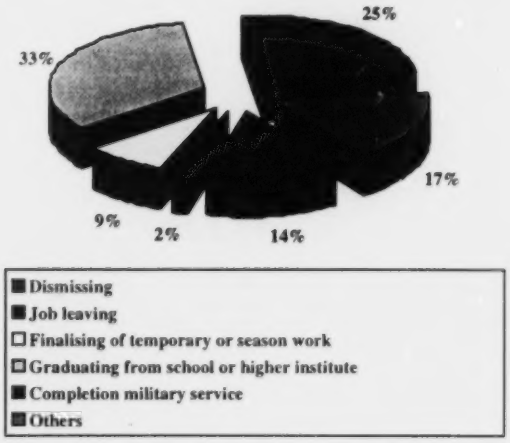
Table 7 - Unemployment in Bulgaria

	1990	1991	1992	1993	1994	1995	1996	1997
Total – thousands	65	419	576	626	488	423	478	521

Source: National Statistical Institute

- **Women** comprise 53.7% of all those registered as unemployed at the Labour Offices, although female unemployment has increased at a slower rate than male unemployment. There is a higher proportion of women among the unskilled unemployed and among the unemployed with primary or lower education.
- **Youth unemployment** continues to be a serious problem. In November 1997, 36% of those under 24 years were unemployed. This represented a point rise over 1996. The increase in youth unemployment is a factor of the increase in total unemployment. Young people are most likely to be unemployed on completing their education and on leaving the army. The majority of unemployed young people have a primary or lower-level education. This characteristic, combined with their lack of job experience, makes young people very non-competitive on the labour market and restricts their employment potential to a minimum.

Figure 5 - Unemployed young people up to the age of 25 by reasons for unemployment



Source: National Statistical Institute

- When viewing the unemployment structure in terms of occupational groups, persons registered as unemployed and lacking a qualification predominate, followed by those with vocational and specialist qualifications.
- In terms of **educational levels**, the majority of the unemployed – 55% - has a higher technical, a primary or a lower level of education, despite the fact that the rate of unemployment among this group has decreased in the last year. Higher vocational/technical education graduates account for 19.6% of those registered as unemployed.

  The low educational and qualification level of those registered as unemployed renders them non-competitive on the labour market. They, therefore, form the basic cohort of the long-term unemployed. The relatively high share of young people in this group – around 70% on average – is worrying. There has been a significant decrease in the proportion of the unemployed with higher education, mainly among specialists with an engineering and technical background. Most of the unemployed with higher education are women and young people under 30 years.

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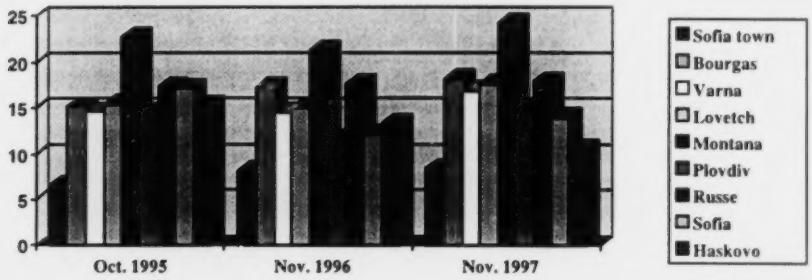
ç In terms of **sectors,** the liberalised goods manufacturing sectors dominate at the expense of services. Of all those dismissed from the production sector, agricultural workers predominate, followed by industrial workers, while those most affected by dismissals from the services sector are workers in educational, residential and community services.

There are quite substantial **regional differences** in unemployment levels. The highest level of unemployment in November 1997, at 18.1%, was registered in the District of Bourgas, followed by the District of Rousse with 17.9%. The lowest levels were in Sofia City, with 8.4%m and the District of Haskovo with 10.6%. These levels are largely due to the manufacturing infrastructure of the regions and the ongoing re-structuring of a large part of production and industry.

Figure 6 - Unemployment rate by districts in percent



Source: National Statistical Institute

1.4.3 Employment policies

Labour market policy is aimed at creating the environment and conditions necessary for the market to function well and at encouraging employers to employ unemployed people. It is also aimed at motivating and encouraging the unemployed to take proactive steps to maintain and enhance their skill levels so as to meet labour market needs.

Labour market policy includes passive and active measures, synchronised with the social partners and realised with the active participation of local government and administration.

1.4.3.1 Passive measures

Passive measures, relating to unemployment-related social protection measures, comprise the payment of:

- unemployment benefit payments — of all those registered as unemployed in the labour offices in March 1998, 22.5% were entitled to receive unemployment benefit payments;
- financial support for the long-term unemployed;
- special benefit payment supplements, social and cash support;
- training allowances for those pursuing vocational qualifications; and
- children's allowances.

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Despite the decrease of the proportion of expenditure directed at these types of measures, they still remain relatively high when viewed in the context of total expenditure on labour market policy. In 1997, the share of total expenditure spent on passive measures amounted to 60.1%.

1.4.3.2 Active measures

Active measures are defined as measures aimed at:

- supporting active participation in the labour market;
- promoting the development of skills among the unemployed and job seekers;
- supporting job creation and maintenance; and
- encouraging the employment of particular target groups among the unemployed.

These measures include:

- the employment services;
- training and retraining;
- measures for young people;
- subsidised employment; and
- measures for people with disabilities.

Almost all active measures are aimed partly at employers and partly at the unemployed and job seekers.

In recent years, there has been a tendency to continuously increase the share of expenditure allocated to active measures as a proportion of total labour market policy expenditure. Such expenditure stood at 26.2% in March 1997. Nevertheless, expenditure on active measures is still not sufficient to implement sufficiently effective active and preliminary policies. Most of the active measures possible have either not been put into practice or have had a limited effect, for a number of reasons.

1.4.3.3 Employment services

The employment services provided by the labour offices are free and include:

- providing help in finding work and/or suitable workers (intermediary activities in the supply and demand of labour);
- stimulating geographical mobility;
- administering and monitoring unemployment benefits;
- psychological services;
- intermediary activities related to the organisation and implementation of training courses aimed at the qualification and re-qualification of the work force;
- implementing employment promotion measures;
- protecting the internal labour market;
- implementing and monitoring international labour agreements; and
- collecting, processing, analysing and providing information about the labour market.

Expenditure on employment services in 1996 amounted to 15.1% of total employment fund expenditure. Expenditure on these services as a percentage of general expenditure on active measures decreased. This was a result of improvements in the structure of expenditure which was changed to correspond to new priorities in labour market policy.

Employment service activities will soon be enhanced by World Bank funding which is designed to help Bulgaria face the challenges of industrial reform and restructuring. The necessary agreements are already in place.

1.4.3.4 Training and retraining (continuing training) [3]

Activities relating to vocational qualifications are a priority of active labour market policy. The establishment of the legislative, organisational, financial and other conditions necessary to develop vocational qualifications helps to maintain the skill levels of both the employed and the unemployed and contributes to the establishment of the necessary conditions for free competitiveness, mobility and the adaptation of the labour force. Maintaining one's level of qualifications so that they correspond to the demands of the labour market is a essential prerequisite for finding and keeping a job and for successful career development.

Adult vocational training policy in the last few years has been aimed at:

- improving the skill and qualification profiles of the unemployed, job seekers and employees in danger of unemployment by offering vocational training of all kinds — initial vocational training, continuing training and retraining;
- stimulating an active approach to job-seeking among the unemployed by providing motivational training;
- offering consultancy services, professional information, advice and guidance;
- organising specialised (targeted) vocational training which meets the real needs of different occupational groups, production sectors and specific target groups among the unemployed;
- organising targeted training to upgrade vocational qualifications; and
- improving the quality of training.

Although it is recognised that the acquisition of vocational qualifications can reduce the duration of unemployment and help the unemployed to find jobs, expenditure on training, as a percentage of total expenditure on active measures, is relatively low, at 1.7% in 1996.

Just 3.3% of all registered unemployed completed courses to improve their vocational qualifications in 1997. This extremely low rate of participation in training is due to a lack of motivation, as well as the absence of a clear recognition of the need for training. It can also be attributed to the restrictions on entitlement to vocational training financed by the Vocational Qualification and Unemployment Fund. At the moment, only the unemployed who have been offered jobs and persons who are intending to start their own businesses in the manufacturing or services sectors are entitled to this training.

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[3] The term 'continuing training' is not in use in Bulgaria since the legislative framework for vocational education and training to match EU terminology and standards is only now being developed. It is, therefore, up to the reader to determine whether the two concepts are the same or not.

Graduates with an additional vocational qualification accounted for 41.2% of the total number of unemployed undergoing training in 1997. Training provides the unemployed with an opportunity to improve, complete and develop their professional knowledge and skills and to acquire the new skills they need to participate effectively in their chosen professional field. Unemployed persons, who are willing to upgrade their qualifications, are interested mainly in courses in:

- computer training;
- management and marketing;
- management of a family enterprise;
- financial management and accounting;
- basic management qualifications;
- accounting and business administration; and
- the development of private enterprise business strategies and business plans.

The type of courses chosen indicates clearly that most of these unemployed people intend to start and develop their own businesses.

Economic restructuring, the closure of enterprises and other areas of economic activity, the withering away of old occupations and specialities and the emergence of new ones, all influence the proportion of people undergoing training for re-qualification, currently 28.1%. By mastering a new profession or speciality and being able to offer a skill which is in demand on the labour market, the unemployed greatly increase their chances of rapid recruitment.

The increased share of young people in the total group of unemployed undergoing training (up to 34.1% in 1997) is encouraging. Training increases the chances of rapid social and economic integration of young people. Their increased involvement in training is especially welcome since young people are a particularly vulnerable group on the labour market, with limited real chances of employment.

Amongst the trained unemployed, the proportion of people who have completed only primary or a lower level of education (15.3%) remains discouraging, although the relative share of this group has increased slightly (by about 3 points since 1995). This group has low mobility and the skills they have are not in demand. They have, therefore, a minimal chance of success on the labour market and many of them belong to the core of the 'long-term unemployed'.

A good indicator of the quality and effectiveness of vocational training is the relatively high number and proportion of people who find jobs after completing training — 43.7% in 1997. This level of recruitment is close to that in countries with a market economy.

1.4.3.5 Subsidised employment

This component of active labour market policy includes programmes and measures aimed at the unemployed, mainly the long-term unemployed, whose lack of education and qualifications puts them at a disadvantage on the labour market. It is aimed also at employers.

Employer/employment subsidies designed to promote the recruitment of young specialists and young qualified workers include:

- a once-off benefit payment for those wanting to start up as self-employed workers in the agricultural sector;
- credit concessions for employers who create new jobs;
- a temporary employment programme subsidising the recruitment of unemployed persons for the performance of socially useful work; and
- programmes to develop alternative employment in the mining regions and to support employers and the local authorities to re-organise, restructure and prepare plants for privatisation and to implement new community-based projects.

These programmes are being implemented, with varying degrees of success, at both national and regional levels. They were particularly badly affected by the adverse economic situation, especially in early 1997. Another negative factor is the absence of the market economy tradition of communication between employers and the social authorities.

1.4.3.6 Measures for the employment of specific labour force groups — young people, people with disabilities, ethnic minorities etc.

Measures for these groups are aimed at integrating them into the labour market, promoting greater mobility and fostering adaptability to the changed conditions and requirements for employment. The National Employment Service has various types of programmes for the vocational training and subsequent recruitment of these groups.

- The **Programme for Youth Employment** aims at improving the quality of the labour force and at ensuring the economic and social integration of young people.
  It includes a variety of measures:
  - training young people from companies undergoing restructuring;
  - training in craft skills;
  - placements aimed at acquiring specific professional skills;
  - career guidance
  - additional practical training;
  - business start-up training;
  - other measures to stimulate business start-ups, such as start-up grants;
  - subsidies for the employment of young people with disabilities etc.

  These measures have already yielded initial, if tentative, positive results.
- Programmes for the vocational qualification of **people with disabilities,** include:
  - a programme aimed at providing vocational qualifications for workers with a specific social status, such as people with hearing impairments;
  - a programme for the development of a rehabilitation and re-training centre for the visually impaired;
  - financial support for employers providing jobs for people with impaired working ability etc.

- A programme for the social re-integration, through vocational training and retraining, of people **released from jail**.
- A programme to provide 'literacy skills, qualifications and employment' to people from regions with **ethnically mixed populations**.
- A '**Social Care for Employment**' programme for groups of people 'who are clients of the social services and the employment services'.

Most of the above measures have proven their effectiveness and were, therefore, put on a statutory basis in the newly adopted Law against Unemployment.

1.5 Regional developments

The socio-economic development of the eight regions and Sofia during the last seven years resulted in tremendous changes in their profiles. We can safely say that the economic map of Bulgaria has changed to such an extent that we can no longer rely on previous assumptions about the economic situation in the different parts of the country. The Bulgarian National Observatory is currently unable to provide reliable and verified data about the new economic priorities and activities in the regions. There has been an increase in active cross-border cooperation with neighbouring countries on a local level in recent years. This has taken place alongside EU-supported initiatives such as the Cross-Border Cooperation (CBC) programme. For various reasons, this programme was not particularly successful and did not, at any rate, include a significant training component.

The Bulgarian National Observatory for Vocational Education, Training and the Labour Market has conducted a survey of training needs in the region of Stara Zagora. The survey was carried out in cooperation with the Foundation for Entrepreneurship Development and G/K during the period June—October 1998. The results were presented to a conference in Stara Zagora and submitted to the municipal authorities. This is the first survey of this kind undertaken in Bulgaria and it could serve as a model for other regions preparing for the European Structural Funds and for the establishment of active cooperation between institutions offering training at a regional level.

2 CHARACTERISTICS OF THE VOCATIONAL EDUCATION AND TRAINING SYSTEM

2.1 Organisation of education and training

According to the 1991 Constitution of the Republic of Bulgaria "the State encourages education by establishing and financing schools to help pupils and students acquire skills, establishes conditions for vocational training and retraining and exercises control over all types of schools and over the different levels of school education".

The national education system includes pre-school, school and higher education.

The 1991 School Education Act defines school education as both general and vocational. A Law on Protection against Unemployment was adopted by the Parliament at the beginning of 1998.

2.1.1 *Diagram illustrating the overall educational system*

A diagram illustrating the Bulgarian educational system is appended to this report (see 3rd cover page).

2.1.2 *General education*

General education in Bulgaria includes:

- basic schools — from first to fourth grade inclusive;
- basic schools — from fifth to eighth grade inclusive;
- primary schools — from first to eighth grade inclusive; and
- general secondary schools

Primary education is compulsory and it is acquired in two basic stages: from first to fourth grade and from fifth to eighth grade.

Children start attending first grade at the age of seven. It is possible, following a parental request, for a children to start their general education at the age of six, provided they meet the physical and mental development requirements.

After completing the eighth grade, children receive a certificate attesting that they have completed their primary education. This certificate entitles them to continue their education at a higher level. Once a child has reached the age of 16, s/he may either enter the labour market directly or attend any of the further education or training facilities available.

The content of education includes core subjects (general compulsory subjects), compulsory optional (specialised) subjects and electives (optional subjects).

Core subjects (general compulsory subjects)

These are taken by all students and take up from 22 to 29 hours of the school week, depending on the different grades. The core subjects at the secondary level are: Bulgarian language and literature, foreign languages, mathematics, information technology, history, philosophy, geography, physics and astronomy, chemistry, biology, arts, music, technologies and sport.

Compulsory optional (specialised) subjects

These are taken by all students and take up from 2 to 21 school hours per week, depending on the different grades. The pupils can choose between:

a) studying several of the core subjects offered by the school in depth; or

b) studying subjects related to different occupational areas offered by the school (economics and management, banking, business and finance, company administration, foreign trade, customs commissioning, tour guiding, hotel catering).

Students who take the second option receive a vocational training certificate. If they wish, they may take additional examinations, which lead to a qualification as a skilled worked in that occupational area.

Electives (optional)

Three to four school hours per school week, depending on the different grades, are given over to elective subjects. These are taught outside the compulsory school hours and are selected according to pupils' wishes and education potential. A pupil's mother tongue may be studied as an optional subject.

Within the framework of the general education system, pupils acquire a secondary education after completing a specialised 3-year training period (a 4-year period is envisaged by the amended Law on School Education) and meeting established educational requirements. A secondary education diploma is awarded when a pupil has completed the XI/XII[4] grade; this diploma also functions as a university matriculation certificate.

The Act on School Education defines secondary schools as follows:

1. Secondary comprehensive schools — from I to XII grade;
2. General secondary schools — from VIII/IX to XII grade.

The types of schools in secondary general education are as follows:

1. General secondary schools; and
2. Specialised high schools from VIII to XII grade, including Foreign Language High Schools and High Schools specialising in Bulgarian Language and Literature, Mathematics, Physics, Chemistry, Biology, Earth Sciences, History, Geography, Philosophy, Christian Art and Culture, Art and Sport.

2.1.3 *Vocational education and training at secondary level*

Vocational education and training is delivered in three types of vocational school.

- There are vocational schools which provide training for non-complex activities, together with primary education. The training period depends on the complexity of the profession and the age of pupils. Enrolment starts after VI or VII grade and training continues for 3 years. Graduates have the right to practice the relevant profession or to continue their education in general secondary schools, secondary vocational schools, professional gymnasiums or technical schools.
- Post-primary vocational schools provide training for complex vocational activities as well as secondary education. Graduates have the right to practice the relevant profession, to acquire additional professional qualifications in professional gymnasiums and technical schools or to continue their education in the higher education system.
- There are also post-primary vocational schools which provide vocational training only. Graduates from these schools may enter the labour market but may not go on to higher education.

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[4] Until such time as new state educational requirements are introduced, the provisions of the 1991 Act on School Education are still valid, i.e. secondary education ends on the completion of the XI grade.

Professional gymnasiums (secondary vocational schools) and technical schools also provide training leading to vocational qualifications, including qualifications in complex managerial activities. This training is provided either in parallel with secondary education or after its completion. The options for vocational training are as follows:

- ç the acquisition of a vocational qualification and secondary education;
- ç the acquisition of a vocational qualification, a foreign language qualification and secondary education; and
- ç the acquisition of a post-secondary vocational qualification.

Graduates of the general secondary schools acquire vocational qualifications; graduates of secondary vocational schools enhance their vocational qualifications in the same or in a different professional field; and graduates from the professional gymnasiums and technical schools acquire a new vocational qualification.

Graduates from professional gymnasiums and technical schools have the right to practice their newly acquired profession or to continue their training in the higher education system.

2.1.4 Post-secondary vocational education and training

The concept of lifelong learning has increased the importance of post-secondary education, which has developed mainly within the structure of the secondary education system. The programmes are provided within the structure of the former technical schools or in independent post-secondary vocational schools. These were established by the Act on School Education (1991) and the Regulation on Private Schools, issued by the Ministry of Education and Science. The Ministry's position is that, in the context of the changing socio-economic situation in the country, private schools present an additional opportunity for vindicating the constitutional right of each citizen to freely choose between different types of school and forms of education. To date, sixteen private post-secondary vocational schools have been opened, mainly in the fields of services, tourism and the banking sector. Programmes for post-secondary vocational education, based on the former technical schools, exist in the following fields:

- ç business and the services sector;
- ç banking, accountancy and financial services;
- ç industry;
- ç agriculture;
- ç electronics; and
- ç transport.

Seventy-nine state and sixteen private schools offer two-year programmes of post-secondary vocational education.

The validation and development of post-secondary vocational education are based on the concept of creating effective options for acquiring vocational qualifications, which meet the requirements of both the labour market and the individual. Recent development trends in this kind of education include:

- creating an environment which balances training, labour market requirements and individual interests;
- offering effective educational options following graduation from secondary education; and
- ensuring the effective utilisation of available resources.

The main objectives of these vocational schools are as follows:

- providing vocational training for those graduating from secondary education;
- providing vocational training for those graduating from secondary education and exercising a profession connected to the subjects included in the training programme of the educational institution;
- upgrading vocational qualifications and training the unemployed in accordance with the requirements of the National Employment Service.

Graduates acquire vocational qualifications attested to by a certificate entitling them to practice a given profession within the labour market. Vocational qualification certificates alone do not entitle graduates to go on to higher education. A secondary education diploma is necessary for entering the higher education system.

2.1.5 *Vocational education in colleges*

According to the 1995 Higher Education Act, vocational education in colleges is part of the higher education system. Course programmes are provided in colleges within the universities (see 3rd cover page). These colleges may be developed as independent institutions.

Those graduating from these colleges acquire "Specialist" degrees in the following areas:

- medicine — nurses, midwives, dental technicians, etc.;
- technical and technological specialisations;
- pedagogical specialisations — kindergarten and primary teachers;
- tourism; and
- librarianship.

2.2 Provision of education and training

2.2.1 *General characteristics*

The Bulgarian vocational education and training system can be described as national and centralised. The Constitution recognises the predominant role of the State in education. School-based vocational education is directly administered by the State through Regional Inspectorates reporting to the Ministry of Education and Science. The system upholds the principles of equal opportunities for all and vindicates the right to education and training granted by the State to all its citizens, regardless of sex, age, nationality, minority status etc.

The basic characteristics of the existing vocational education and training system are described below.

- Vocational education and training is uniform throughout the state and is centrally managed. This means that education is standard throughout all vocational schools of a given type since the list of occupations in which training is provided is the same and curricula are uniform and generally compulsory. Schools are given the opportunity to choose optional programmes, taking into consideration the specific characteristics of the regional economy.
- Admission to vocational schools is freely available and is based on an approved state plan, which also provides for placements and recruitment by enterprises.
- The establishment, development and function of vocational education and training are based on the real needs of the economy. This is determined by existing jobs which demand different levels of skills and have different requirements in terms of primary or secondary education and the level of vocational qualifications.
- The system at this stage is mainly school-based, allowing students to acquire both a primary or general secondary education and a level of vocational qualification which is determined by the economic environment and the different potential of the students.

Vocational education and training in Bulgaria provides:

- different levels of vocational qualification together with the acquisition of primary and secondary general education;
- the acquisition or enhancement of vocational qualifications in the same or a different vocational field after graduation from primary or secondary education;
- the acquisition of vocational qualifications and of secondary education along with intensive foreign language training targeted at specific occupational areas;
- several options for training in different vocational education and training structures, depending on the preferred occupational area and the desired level of vocational qualification, and in accordance with the required level of general secondary education; and
- access, on graduation, either to a placement where one can practice the acquired vocational qualification, or to a higher educational school or university, where one can acquire new vocational qualifications or enhance existing qualifications.

2.2.2 *Overall policy with regard to vocational education and training*

Since the break-up of the socio-economic system in 1989, Bulgaria has experienced several years of changes in its institutional, economic and social infrastructures. Vocational and technical education and training are at the cross-roads of these developments and have been affected by these changes in various ways.

- The transition from a centrally-planned to a market-oriented economy has brought about a period of deep recession, with a decrease in GDP. A lot of enterprises have been closed and the process provoked severe unemployment and a serious financial crisis. The old vocational education and training system was designed to serve the requirements of a centrally planned economy, with an emphasis on industrial production. The Training Centres within the big state enterprises have been closed down. Support for vocational schools has been

withdrawn and opportunities for providing practical training in enterprises are restricted. It is strange that the cooperation between employers and schools, which is so necessary to a market economy, was abolished, with vocational schools becoming entirely state dependant.

- The economic recession has impacted on the national budget and triggered a shortage of financial resources for education, including vocational and technical education, teacher salaries, teaching materials, curriculum development and new equipment for training workshops.
- New economic realities mean that enterprises have to compete on the market in terms of quality and cost, putting an end to the employment guarantees of the past. Due to socio-economic and technological developments, skill requirements have changed radically and the vocational education and training system has had to respond to the new demands.

There were attempts to introduce changes into Bulgaria's vocational education and training system long before 1989. As a matter of fact, they have been on the agenda of decision-makers since the end of 1980s. These changes concerned the implementation of vocational programmes in comprehensive schools. The effects of the reforms have impacted all aspects of initial vocational education at upper secondary level during the past two years, but the results have been more negative than positive. The main reason for this is that reform was implemented in a very directive manner, and that society (teachers, parents, and students) did not understand, accept or support the overall reform policy.

The social and economic transformation which has taken place in the country in recent years requires a new approach to the vocational education and training system. The process of reforming the school-based vocational system started with the 1991 Act on School Education, amended in 1998. The process began with structural change in the management of the system. Inspectorates were established on foot of the law. These Inspectorates are regional organs of the Ministry of Education and Science, which is responsible for the management and monitoring of secondary education, including vocational and technical education. The 1998 amendments to the Act on School Education put the Inspectorates on a statutory footing. Activities undertaken by the municipal educational structures are restricted, for the most part, to such areas as material and technical provisions, the social conditions of schools and the management of municipal educational institutions.

The active policy of the Ministry of Education and Science includes the following main activities:

- adaptation to the circumstances of a free-market economy and harmonisation with European legislation, regulations, decision-making processes, curriculum development etc.;
- development of a legislative framework for the vocational education and training system, with the emphasis on cooperation between all parties involved;
- updating the list of occupations, having regard to social and technological developments, and developing new training schemes;
- implementing modular approaches to curriculum design in order to achieve greater flexibility of the work force, and to provide different options for upgrading qualifications;

- developing new curriculum content and goals and ensuring that the social perspective on which they are based is more pragmatic in orientation;
- introducing new training skills according to predicted changes in the economy, employment and qualification requirements;
- developing the whole vertical branch of vocational education, including post-secondary vocational education and creating the conditions for harmonising the vocational education of young people and adults; and
- improving the network of vocational schools which was developed in the context of a centrally planned economy.

Another important area of activity is developing a new assessment and certification system in accordance with current skills, which change rapidly as technology develops. Bulgaria has a tradition of teacher-based assessment, which probably needs to be changed in favour of external examining bodies. These developments can only take place in cooperation with the social partners. Employers need to be encouraged to participate in the assessment process, both at the design and implementation stages.

The Ministry is also involved in developing a system of partnership in the field of vocational education and training. In the past, the State had a dominant role in taking decisions and partnership did not develop into an institutional system. In spite of the fact that the institutional form of social partnership in the vocational education and training system does not have a long history, there is a growing awareness, in the current situation, of the strategic importance of the participation of the social partners. The process of change has to be organised as a learning process for all the actors involved in the system. Unfortunately, because of the political and economic situation in recent years, employer representatives and trade unions have not been as active and effective they could be.

Other areas of ministerial activity include:

- enhancing the quality of theoretical and practical training to respond to new needs;
- establishing conditions for retraining teachers from vocational schools in accordance with new labour market requirements and technological changes; and
- raising the quality of the vocational education and training system, not only to meet the demand for more advanced skills from employers, but also to meet the social demands for continuing training.

The Ministry of Education and Science has taken a number of steps in recent years as a result of developments in overall vocational education and training policy.

- A new programme and new curricula have been implemented for occupations of strategic importance to economic change (economics, banking, trade administration, insurance etc.). The emergence of new specialisations, especially in management, commerce and computer science, has resulted in changes in the curricula. A modular curriculum has been introduced in the post-secondary education system.

- A system of post-secondary vocational programmes has been developed within the system of secondary education to respond to the demand to bring the schools into line with social and market needs. This has been done with foreign assistance.
- The List of Occupations for which training is available has been updated to meet the challenges of a market economy and in response to student demands.
- A network of private vocational schools and training enterprises in specific areas for which there is a current demand has been developed.
- New programmes for retraining of adults (mainly the unemployed) have been introduced.
- A modular approach has been implemented.
- Teacher training in Teacher Qualification Centres has been organised.

In the Ministry of Education and Science, there is already an ongoing process of eliminating traditional vocational streams, which are no longer necessary to the labour market, and establishing new ones more suited to economic demands. Particular emphasis is put on improved and more intensive economic education in commercial schools, and on foreign language teaching in technical schools and professional gymnasiums.

The adjustment of vocational training to labour market demands is being attempted through the curricula of the so-called pilot projects. These involve the introduction of new curricula for post-secondary training based on modular approaches. Teaching content in the pilot projects is decided by the Ministry of Education in cooperation with teachers, representatives of the enterprises and foreign consultants. Objectives of curriculum development include overcoming the problems associated with the overly encyclopaedic character of the knowledge delivered and developing practical skills.

Substantial funding for changes to school-based vocational training has been made available, largely through bilateral and international assistance and through EU Phare grants.

2.2.3. *Network of vocational schools*

Vocational education and training is provided in:

- three-year secondary vocational schools;
- primary vocational schools with different periods of training depending on the complexity of the occupation;
- four- and five-year technical schools and professional gymnasiums;
- post-secondary vocational schools;
- training centres;
- private vocational schools; and
- training courses for unemployed people organised by the regional and local labour offices.

The vocational school network includes 247 technical schools and professional gymnasiums, 226 secondary vocational schools, 9 primary vocational schools, and 19 general secondary education schools offering vocational training courses. There are 35 private professional gymnasiums in the areas of agriculture, catering, management, tourism and services. There are 42 colleges within the higher education system.

The regional distribution of vocational schools is influenced by the primary need to meet local municipal needs. Some schools are company-run, with some being located near the premises of the companies themselves. Over half of all vocational schools are concentrated in twenty-eight regional centres.

According to their specialisation, vocational schools are divided into:

- schools providing vocational training in one occupational family (172);
- schools providing vocational training in two occupational families (186); and
- schools providing vocational training in more than two occupational families (145).

According to the Department of Vocational Education at the Ministry of Education and Science, the current changes in the network should be aimed at:

- reassessing the concentration of schools and seeking suitable regional locations for different schools in accordance with regional developments in the labour market;
- analysing training needs and the number of vocational courses offered with the aim of optimising schools' specialisations and meeting present-day labour market requirements; and
- determining school size, which is influenced by a number of factors and can vary from over time.

The network should be designed with a view to:

- ensuring that the school provides training for a cohort of local pupils;
- meeting local occupational demands and new skill requirements;
- catering for students' personal interests and wishes;
- providing full employment for the existing teaching staff members;
- making effective use of material and technical facilities; and
- providing quality training.

Practical training is organised in school workshops or in specially organised company placements. The former takes place in the course of the teaching process and is planned as part of the curriculum. Training in firms latter usually lasts several weeks, during which time students have no other classes and do not attend school. Training in enterprises is also included in the curriculum.

The shortage of financial resources and other obstacles raised by the new economic conditions has made it very hard to run the practical training programme.

The draft Bill on Vocational Education and Training provides for real cooperation between schools and enterprises in order to deliver appropriate practical training. This will forge closer links between schools and industry, ensuring a dialogue regarding industry needs, skills and qualifications, and will also facilitate the transition from school to work. To date, however, the system has remained almost entirely school-based.

According to the 1998 Law for Protection against Unemployment, vocational education and training can be provided by all statutory bodies which have educational-qualification activities as their objective.

2.2.3.1 *Classes and enrolment*

Declining interest in occupations such as machinery and device construction; geology, research and mining; metallurgy, electrotechnics and electronics; and occupations in the chemical industry has been apparent in recent years. The number of classes has fallen, and those remaining have an average of 16—22 pupils which is well below the specified norm of 26 students per class.

In contrast, however, there is increased interest in occupations related to economics, management and trade, tourism and services and craftsmanship.

The Minister for Education approves the level of enrolment, defined as training places requested by the State, in both state and municipal schools.

The funding authorities have offered to provide new training places in vocational schools as the necessary financial resources become available. The Regional Inspectorates of the Ministry of Education, together with the Regional Employment Services and the Municipal Councils, identify trends in regional economic development, analyse the school network and then allocate training places for the various occupations, taking into account material facilities and the vocational qualifications of the teachers.

2.2.3.2 *Teachers and administrative staff*

Around 31,000 people work in vocational schools, of whom 60% are teachers. The remaining 40% are practical trainers (masters) and workers in school workshops and laboratories, support staff and administrative workers.

Twenty-nine per cent of all teachers teach general school subjects, while 61% teach the theoretical and practical aspects of special vocational subjects. Seventy-six per cent of teachers have a higher education degree, while 22% have a post-secondary qualification and 22% a secondary education.

2.3 Adaptation of vocational education and training to socio-economic change

During a period of reform and new developments, the vocational education and training system must meet the qualification requirements of a generation which is vital to the socio-economic life of the country.

In recent years, the Ministry of Education and Science has been working to upgrade the content of vocational training and to develop and provide training in new occupations.

2.3.1 *Development of occupational families and profiles*

In 1994, the Ministry of Education and Science completed a New List of Occupations for School and Extra-School Training. It is important to note that the List is an open system and is related to the National Classification of Occupations, issued by the Ministry of Labour and Social Policy in 1996.

The List has been adopted as the national standard for planning and organising activities relating to career guidance, vocational training, the supply of labour and employment.

The following changes have been made to the List of Occupations in order to meet the new challenges:

- development of a uniform list of occupations to be taught at all types of secondary schools and out-of-school organisations, ensuring acquisition of a vocational qualification;
- broadening of the profiles of the occupations;
- inclusion of independent trades and new occupations; and
- ensuring coordination with Bulgaria's National Classification of Occupations system.

The structure of the List is based on the premise that occupations which share specific, essential characteristics can be classified into professional groups. This classification takes account of the type of activities involved in the different occupations, the tasks that make up these activities and similarities in the type of professional competence required.

The identification of occupations and their inclusion in the List, is based on various criteria.

- The need for relevant vocational training must be demonstrated.
- The training should be in activities requiring professional competence and personal responsibility in as wide a field as possible.
- There must be sufficient distinction between the different occupations for which training is provided.
- The training should provide the opportunity to implement educational policy; and
- The basic conditions for qualifications improvement and professional development must be fulfilled.

Occupations are the basic element in the classification and structuring of the List. Each occupation is defined in terms of:

- the lowest educational level required to practice it; and
- the level of vocational qualification obtained by studying it.

The new list of occupations is being put into practice step by step. In 1995, a pilot scheme of state requirements for vocational qualifications was prepared for seven occupations. By 1996, such requirements were being developed for another 18 occupations.

The occupations which make up an occupational family vary in terms of levels of qualification, the use of equipment and materials and the products or services provided, but they have a common area of activity.

The occupations are comprised of varying numbers of specialisations which are sufficiently similar from the point of view of the general education and skills required, and which demand a similar level of professional competence. The new list covers 183 occupations divided into 22 occupational families. Seventy-three occupations which were on the previous list were deleted while the profile of occupations has been broadened. Only those occupations for which training is provided in vocational schools where pupils can acquire a vocational qualification together with a primary education have a narrow profile. This is due to the lower education level of the pupils in these schools. Craft occupations have been added to the List to cater to the needs of emerging small and medium-sized businesses.

2.3.2 *Development of new curricula*

By virtue of dialectical laws, vocational training always relies on continuity. This continuity is based both on the continuation of what is expedient and of proven value and on the persistence of unsolved problems and the search for new strategies to solve them.

Analysis of vocational training content in Bulgaria has highlighted several areas that should be developed. These include:

- ç the simultaneous provision of secondary education and vocational training;
- ç the provision of broad-based vocational training, followed by training in a specific area of specialisation;
- ç the combination of theory and practice;
- ç the combination of school-based learning and work practice;
- ç the possibility of differentiation through compulsory, compulsory-optional and elective training courses; and
- ç a correspondence between the purpose, content and organisational form of vocational training.

The curriculum is divided into a part which is usually compulsory, and a part which is optional. General compulsory subjects are core subjects, while optional subjects are designed to cater for individual interests and abilities. Optional subjects are divided into compulsory optional subjects and elective subjects, thus introducing an element of choice for students.

The compulsory subjects are: Bulgarian language and literature; a foreign language; history; geography; mathematics; physics; biology; philosophy; physical education; theoretical subjects relevant to the occupation in question; and practical training. One or two of the comprehensive or vocational subjects are optional, but are compulsory for study within the framework of the established study hours per week. The third group of subjects is optional and studied outside the compulsory hours.

The ratio between compulsory comprehensive education and compulsory vocational training is 1:1.5 in technical schools which admit students after the eighth grade and 1:1.25 in secondary vocational schools.

The content of studies is determined in line with the State education standards which underlie the uniform criteria for evaluating students' achievement.

The established practice and tradition in the country of providing general education in both general education and vocational training schools has been accepted as progressive and promising. This approach contributes to labour force mobility during the period of transition to a market economy and also helps establish opportunities for horizontal mobility within the education system.

A new element in education in the last few years has been the introduction of intensive foreign-language teaching in technical schools and of vocational training in comprehensive schools. Both innovations are aimed at creating an economic and entrepreneurial culture.

Altered socio-economic and labour market conditions require the introduction of national occupational training standards with a view to harmonising state requirements as well as taking the European dimension into account. So far, no uniform state vocational training standards for establishing vocational requirements, training curricula, training facilities, quality of trainers, assessment and evaluation systems and preliminary requirements in respect of trainees, have been introduced in Bulgaria, although a system of such standards is being developed in the Ministry of Education and Science. The absence of such standards makes it particularly difficult to plan and forecast needs, evaluate the level of vocational skills and the movement of labour within occupations, ensure precise accreditation of vocational schools and adult vocational training units, certify vocational training and validate documents awarded nationally. The development of the labour market and the demand for increased quality in the labour force presuppose continuous evaluation of the level of competence provided for by the system at national, branch and company levels, as well as the development of certification procedures involving all participants.

The socio-economic changes in the country have increased the importance of the following objectives for improving vocational education and training:

- developing new skills adequate to current technological and labour market demands;
- enhancing basic knowledge, which will facilitate continuous learning throughout one's working life;
- developing partnerships between companies and schools, where effective cooperation would render training responsive to changes in skill requirements;
- developing continuing training, given that the country's low birth rates mean that the average age of the workforce will continue to rise in years to come and that technological changes require not only high quality training for new entrants, but also retraining of older or 'experienced' workers;
- upgrading teaching in vocational schools to ensure that teachers are aware the latest technologies and that they are able to establish links between theory and practice; and
- improving the conditions for the vocational training of disabled and socially excluded people.

2.3.3 *Quality control and recognition of qualifications*

Final testing and assessment in all types of vocational and technical schools is regulated by the 1991 Act on School Education, the relevant statutory instrument issued in 1992, and the 1993 Order on providing examinations in vocational schools.

Leaving Qualification Certificates are issued on the basis of final, theoretical and practical examinations held on the completion of training courses and on continuous skills assessment. A training credit unit has now been introduced on an experimental basis in the context of the Phare project for post-secondary vocational education. This is consistent with continuous or periodic assessment and final examinations. Consideration is currently being given to extending this facility to initial training.

Assessment procedures mainly take the form of written or practical tests aimed at assessing students' knowledge and skills. There is now a significant trend towards balancing theoretical and practical assessment.

The Ministry of Education and Science lays down the training programmes and means of assessment (type of assessment, examination dates etc.) for school-based vocational education. The examinations are organised at school level.

All those involved in the vocational education and training system realise that the participation of social partners is crucial to quality assurance. But Bulgarian employers often find it very difficult to specify and detail, or even sketch out, what exactly they expect from school leavers. At the same time, they are critical of schools for failing to meet industrial needs.

In accordance with the 1991 Act on School Education, diplomas and certificates for vocational qualification are currently issued by training organisations validated under the same legislation.

2.3.4 *Career guidance in the school system*

Career guidance within the secondary education system is geared towards each pupil's individual education choice and aims to prepare them for their future career in accordance with the options provided by the education system and labour market demands.

Career guidance activities include providing information about secondary and higher education options, providing the skills needed for individual decision-making and preparation for future employment.

Career guidance is available following completion of primary education up to the completion of secondary education.

Guidance is provided within the schools via the Regional Pedagogical Advisory Offices. This is a public-sector body which falls under the Ministry of Education and Science. Twenty-seven regional offices with a total staff of about 100 operate throughout the country. The offices are supported from a methodological point of view by the Centre for Professional Orientation and Guidance, a constituent body of the Education Research Institute which produces booklets and other literature on different study paths available. Most of the work is done within schools. Both the Centre and the Regional Offices offer various services, including preliminary contact, provision of information and documentation and individual consultations. In particular, they have

developed a documentation system which trades and vocational schools can use. They consult young people and encourage them to make contact with the vocational schools.

It is apparent that there is insufficient demand for career information and this accentuates the gap between the school environment and the world of work. To bring the two worlds closer together, the government has announced its intention of arranging for the provision of systematic career information in the schools.

2.3.5 *Career Guidance within the National Employment Service system*

National Employment Service experts at various levels, and from different units, have been working on a project to design a career guidance system for young people and adults. This is the first attempt to outline basic activities in the area of career guidance (information and counselling), the structure of and relationship between the various units involved, the major functions and tasks at different levels, the financial, human and technical resources necessary, the steps involved in the initial stages of setting up different structures etc. The project complies with the requirements of the "Basic instructions for designing and developing a vocational guidance and counselling system for young people and adults" approved by the National Employment Service management (Minutes No. 28/03.02.1994).

The main objective of the career guidance system is the creation of the necessary conditions and preconditions for the efficient execution of state policy in the sphere of vocational training and retraining of young people and adults and for improving their employment opportunities.

Career guidance activities within the National Employment Service have been carried out in the Labour Offices' "Vocational Guidance and Organisation of Training" sections since their establishment. These activities are defined in the 'Blue Book', in the job descriptions of those working in these sections and in the "Main guidelines for the development and functioning of the Career Guidance System" designed by the Department for Career Guidance and the Organisation of Training at the Central Office of the National Employment Service.

The career guidance provided by the National Employment Service is based on the German model. Employees of the National Employment Service's Central Office, Regional Employment Offices and the Labour Offices were trained by German specialists in both Germany and Bulgaria.

The career guidance system (information and counselling) for young people and adults was put on an institutional footing when the collegium of the Ministry of Labour and Social Policy made a formal decision to initiate the project (Minutes No. 4/08.12.1994).

The project views the career guidance system as including the following:

- at national level, the Employment Services Division in the Central Office of the National Employment Service together with the departments of Vocational Guidance and Organisation of Training and Labour Mediation and Psychological Support, the Methodology Council and the Vocational Development and Guidance Centre (VDGC).
- at regional level, the Regional Employment Services, together with the Vocational Qualifications department;

- at local level, Labour Offices which have with Employment Services departments, Career Guidance and Organisation of Training departments and information-counselling units, i.e., Vocational Information Centres, "job clubs" and Vocational Information and Counselling Centres (in cases where the last two are both established within Labour Offices).

At present, there are seven Vocational Information Centres, of which six are based permanently in the Labour Offices in the towns of Varna, Dobritch, Vidin, Peshtera, Gabrovo and Provadia and one of which is a mobile unit in the town of Madan. A Vocational Information Centre in the town of Velingrad is in the process of being set up within the Labour Office. There are 14 "job clubs".

The Vocational Information Centres' mandate is to offer support to people choosing a profession, to look for opportunities for vocational training and development and to promote employment by providing the reliable information and delivering it in an accessible manner. Vocational Information Centres are self-help information units. They should be viewed as providing choice for clients by providing free access to all available information without having to make appointments. Clients themselves decide how often and how quickly to obtain information, which they can access without having to register preferences or personal details. Self-service applies across the range of media and the conditions exist for clients to take independent decisions and exercise freedom of choice.

A Vocational Information Centre client may be virtually anyone interested in career guidance who wishes to enhance his/her knowledge by accessing information on different occupations/professions. This information may be available on paper, video, multi-media products, computer software or in brief descriptions of professions. Specialised literature is available and can be accessed without restrictions based on nationality, sex, age, education, qualifications, employment etc. Clients have at their disposal a wide range of information about professions and possible career paths, including vocational qualifications, training, education and the labour market.

Informing oneself is a necessary preliminary step to career guidance. This necessitates the creation of an organisation providing fast and comprehensive access to the desired information. Vocational Information Centres provide information about the following:

- the nature of the profession, training conditions and requirements, and the conditions for practising the profession;
- the current state of the profession in question, together with demand and career trends in respect of regionally and nationally important professions;
- the personal requirements for vocational capability;
- the regional qualifications market;
- the opportunities for vocational education, training and retraining;
- the educational forms, admission criteria, documents, requirements, and equipment of the different educational institutions (educational units, secondary and higher schools, colleges, centres for post-graduate study etc.);
- specialisation profiles and qualification characteristics; and
- the labour market.

So far, various methodological materials have been developed for career guidance purposes. These are just a few of them:

- ç "Vocational counselling - in support of the vocational consultant";
- ç "Methodological requirements for the design of information materials for career guidance (information lists, information files, video-films, brochures, leaflets)"; and
- ç "Collated procedures for the design, circulation and distribution of information materials for career guidance".
- ç "Instructions for specialists in career guidance" is about to be finalised, as is computer software entitled "Interests — Professions". The following specialised information materials have been designed:
  - information lists and information files for 340 professions;
  - videos on 98 professions;
  - multimedia packs for 90 professions; and
  - brochures, folders and leaflets for 12 professions.

Within the National Employment Service, 210 people, or around 5% of total staff, are working on issues related to career guidance. Some have participated in brief training courses delivered by German specialists, by specialists from the National Employment Service Central Office, by the Regional Employment Services and by the Vocational Development and Guidance Centre.

2.3.5.1 *Problems*

Due to the shortage of financial resources for new premises, for refurbishing and renting existing premises and for furniture and equipment, the information-counselling network is not yet sufficiently developed.

Materials have not yet been designed for all professions.

The number of specialists involved in career guidance is insufficient.

Although almost all the specialists have graduated from higher level education, their vocational preparation was inadequate because of the lack of specialised training in career guidance in Bulgaria's higher education system.

Bulgaria's current classification of professions, developed by the Ministry of Labour and Social Policy together with the National Statistical Institute, does not correspond to the demands of career guidance activities or of vocational qualifications and job mediation. Individual professions have not been defined within the various individual groups, which impedes the development of specific information materials.

2.3.5.2 *Development Guidelines*

Taking into consideration the significance of career guidance both for the individual and for the economic development of the country, action should be taken to put in place all the conditions necessary for the proper functioning of Bulgaria's career guidance system for young people and adults. Some of the initiatives needed are outlined below.

- **Legislation,**
  This would include laws, decrees and other legislative measures relating to vocational training and retraining.

- **New professional nomenclature**
  The new nomenclature should correspond to the objectives of the vocational qualifications involved.
- **State standards for vocational qualifications**
  Such standards must encompass:
  - professional qualification levels;
  - minimum requirements in respect of the knowledge, skills and experience acquired at each qualification level;
  - psycho-physiological requirements;
  - profiles and curricula for retraining courses;
  - assessment procedures; and
  - documentation detailing qualifications acquired and issuing bodies.

Development of the system's material and technological basis must be accelerated in accordance with demand and potential.

A framework agreement has to be concluded with the Ministry of Education and Science providing for exchange of information and coordination of career guidance activities and vocational qualification activities.

An adequate system for the vocational qualification of National Employment Service personnel working in the field of career guidance must be established. To this end, research will have to be conducted on those higher schools in Bulgaria which provide training for administrative staff. One of these schools should then be selected to offer and deliver training in labour administration, particularly to career guidance specialists.

2.4 Shaping vocational education and training policy

2.4.1 *Social dialogue and the industrial relations system*

In March 1990, a National Interests Committee was established on foot of an agreement between the Government, the Confederation of Independent Trade Unions and the National Union of Economic Employers. The National Interests Committee has drafted General Rules for signing collective agreements, and a Collective Labour Conflicts Arrangement Act has been passed. The 1993 Labour Code lays down the legal basis for **industrial relations**. For the first time in Bulgaria, tripartite cooperation between employers, trades unions and the state has been put on a statutory footing. The regulations oblige the government to consult and assist workers' and employers' representatives in developing and implementing social and market policy, including such policy as it relates to vocational labour force training.

The social dialogue between state bodies and the social partners in the field of the vocational education and qualification has been implemented within the framework of the National Council for Tripartite Cooperation (NCTPC), established in 1993.

This is the body responsible for consultation and cooperation and for resolving problems. It is also responsible for establishing levels of social insurance in line with living standards at a national level. Senior Government officials, workers' representatives and employees' organisations participate in it. Workers representatives are from the Confederation of the Independent Trades Unions, the Confederation of Labour and 'Podkrepa', the Association of Free Trades Unions in Bulgaria. The

employers' organisations, which are acknowledged as representative by the Council of Ministers, are the Bulgarian Chamber of Commerce and Industry, the Bulgarian Economic Chamber, the 'Vazrazhdane' union and the Union for Economic Initiative of the Citizens (UEIC).

The national system for tripartite cooperation is organised at national, branch, regional and municipal levels, as well as in various enterprises and organisations.

The tripartite authorities at different levels do not deal with political issues; they are concerned only with consultation and cooperation.

Consultations on problems in vocational qualification take place in sessions of the Committee on the Labour Force — Unemployment, Employment, Training and Retraining. The results of these consultations are expressed in drafting framework agreements, working on legislative measures, formulating strategy and discussing programmes for vocational training and the employment of specific target groups in accordance with labour market policy. On several occasions, the Committee has discussed a bill for protection in the event of unemployment. There is a special chapter in the bill on the problems adults have with vocational qualifications and the relationships between the parties involved in the training process are defined in accordance with the new conditions and terms. The bill also proposes the establishment of a National Council for Vocational Qualification on a tripartite basis.

The National Council for Tripartite Cooperation takes decisions on the basis of consensus among all participants in the session.

The social dialogue and the tripartite partnership in the field of vocational training and qualification still leave a lot to be desired, since the social partners have not yet fully developed their role and position in this area. The signing of a framework agreement between all parties in the tripartite dialogue, aimed at defining the central policies in the field of vocational training and qualification, would be of help.

2.4.2. *Involvement of enterprises*

The transition to a free market economy creates a paradoxical situation in which the links between vocational schools and firms are either cut off or considerably strengthened. At present, it is very difficult to establish new active relationships between the two partners. In the past, collaboration in this regard worked to everybody's satisfaction. At present, the state-owned enterprises, which used to support the vocational schools attached to them, are suffering a severe financial recession combined with organisational problems.

Practical training in enterprises is one of the greatest concerns for schools. The majority of traditional employers active on the labour market are not interested in training. Newly established firms or companies are often exclusively involved in their own performance aimed at turning a profit in the competitive world of work.

2.4.2.1. *Cooperation with the social partners*

Constraints

- *The breaking of the link between vocational schools and enterprises hit by recession* have made it impossible to carry out practical training in real conditions. Breaking this link has also reduced the availability of equipment for practical training in vocational schools and it has reduced the technological assistance available to vocational schools in the production and services areas.
- *It is difficult to establish links between vocational schools and the institutions inherent to the market economy.* Such institutions include labour exchanges, economic and commercial chambers, associations of employers and unions. Establishing links has been made more difficult by the lack of tradition in this regard and by provisions in the regulations on vocational education and training.
- Vocational schools do not occupy their due place in *the market for qualified services* (vocational training, increasing the level of vocational qualifications etc) due to the lack of interaction with different sectoral institutions (chambers, unions, associations etc.).
- *Participation in the development of regulations* on vocational education and training by the sectoral ministries, associations of employers and chambers is limited, especially with regard to the National Standards for Qualifications in different occupations (i.e., with regard to specific requirements for vocational competencies acquired in vocational schools).
- *Lack of participation* by the social partners' representatives *in the procedure for certifying* the vocational competencies of the students also poses a problem.

Measures to promote the development of vocational education and training

- Measures to *regulate the relationships and the interaction* with the social partners with regard to the vocational education and training standard should be introduced and should cover:
- participation by the social partners in the development of national standards for vocational qualifications;
- participation by social partner representatives in certifying the vocational competencies of students, granting them unconditional recognition and the right to practice their profession immediately after graduation;
- the obligations of the social partners to organise practical training in real production and service environments; and
- participation of the social partners in the provision of technical and financial resources for vocational education and training;
- Measures to regulate the interaction of the social partners and the vocational schools in the area of the *ongoing training and retraining of the labour force* and the maximum use of vocational school potential, including teachers and equipment, should be introduced;
- It is also necessary to regulate the participation of employers' associations in the further qualification of teachers in the theory and practice of specific profession, as well as in the further qualification of school staff involved in teaching cutting-edge technologies which play an important role in the economy.

3 CONTINUING VOCATIONAL TRAINING AND MANAGEMENT TRAINING

3.1 Continuing training

Up to the beginning of the reforms in 1989, continuing staff training was implemented in a broad network of 900 training centres of various types and ownership forms. These included state, municipal and company centres. This network of training units was created in the context of the "Uniform National System for the Vocational Qualifications of the Labour Force". In 1990, the repeal of Council of Ministers Decree No. 42 initiated the dismantlement of the old system. Expert data indicate that only 5% to 10% of the old training centres are still in operation.

Specialised standardisation legislation, regulating and managing vocational qualifications and the operation of training-qualification units, still does not function properly in Bulgaria. The vacuum in standardisation, which followed the repeal of the 1981 Council of Ministers Decree No. 42 (the decree establishing a unified national system for workers' qualification), and the passage of the new Law Against Unemployment, led to the spontaneous development and commercialisation, in the worst sense of the word, of vocational training. The conditions for cut-throat competition were created in the emerging qualification services market and the cost of training rose unnecessarily.

Today, vocational training activities, including those relating to the training of adults, are regulated by the 1991 Act on School Education and the Act against Unemployment passed in December 1997. Before the Act against Unemployment was adopted, activities relating to vocational training were financed by the special Vocational Qualification and Unemployment Fund and regulated by bylaws issued by the Ministry of Labour and Social Policy. The monopolistic position of the Ministry of Education and Science created serious difficulties for the functioning of the training units and the development of a complete market for qualification services.

Regulation No. 6 issued by the Ministry of Labour and Social Policy on 14 August 1995 regulates, and defines the conditions and requirements for, firms and organisations providing citizens with skills and motivational training where such firms or organisations are partially or wholly funded by the Vocational Qualification and Unemployment Fund. This Regulation provides for a uniform procedure for the registration of training organisations and for a procedure for organising adult training funded by the Vocational Qualification and Unemployment Fund. Only those training organisations which are registered with the National Employment Service can answer calls to tender to train unemployed persons issued by the Labour Offices.

The registration application form requires information about the educational unit, its material and technical facilities, training accommodation, teaching staff, curriculum and syllabus and contracts with an educational institution for validating the certificates issued. A specimen of these certificates must also be provided.

By 1 March 1998, 471 training organisations had been registered with the National Employment Service. These comprised state, private, municipal and other units, and included vocational schools providing adult training. Private training companies account for 31.0% of all training organisations.

The Labour Offices issue calls to tender for the selection of suitable training units for each individual course. The proposals to provide training must contain information about the duration and content of training, price and a budget on training costs.

Most initial vocational training is provided on the basis of centrally drafted curricula. Further training is based on curricula developed by the educational units themselves. Various forms of organisation are used: half-day; hourly; temporary leave of absence from work, in-service training etc. The form selected is determined by the particular trainees' needs and potential and by the training providers.

Training takes place in a context where there are no unified national vocational training standards specifying requirements in respect of syllabuses and curricula, educational materials and technical facilities, teacher training and quality, assessment systems and the initial requirements which trainees must meet. The absence of such standards hampers the planning and forecasting of training needs. It also hampers the evaluation of the level of vocational qualifications and of cross-occupational labour force mobility, the application of precise rules for licensing organisations providing vocational training, the certification of vocational training and the national validation of the certificates issued.

Difficulties are created by insufficient coordination between the different institutions involved in adult vocational training and by insufficient differentiation of competencies and commitments.

There is no national network of educational units, with varying types of ownership, participating in the qualification services market on an equal basis and functioning competitively. This is due to the absence of state requirements for the professions involved and of a mechanism for licensing organisations delivering vocational training for adults. Given the new situation in Bulgaria, how do we maintain the quality of teaching staff in the vocational training units? Most of those providing training for adults do not have the specific knowledge required and this is reflected in the quality of training they provide.

3.1.1 Adult education

Adult education in Bulgaria has undergone reform in recent years. The ratification of international agreements, now incorporated into domestic legislation, and the need to respond to new demands, laid the basis for change. A National Programme for Adult Education, the country's first such programme, has been under development since 1989.

The Ministry of Education and Science is responsible for the administration of formal adult education. The Ministry is currently establishing training and education centres. The centres are intended to form part of the state network and will play an important role in education in future.

At the end of 1993, a Distance Education Centre was established at the New Bulgarian University with two units, the Radio University and the Higher School of Management. These units train adults in the management of small and medium-sized businesses, tourism management, marketing, advertising and business communication. Disabled students receive scholarships from the Open Society Fund or are exempted from fees.

There is no specific legislation on adult education.

The main elements of adult education policy may be summarised as follows: the government and educational institutions are to retain the central role in programming adult education, while industry is to play an important role in respect of vocationally oriented adult education.

Adults can acquire secondary or vocational education within the secondary education system through existing part-time or evening classes.

Prior to 1989, qualification upgrading and the retraining of adults was carried out in:

- professional training centres functioning as education units in enterprises and local centres;
- education centres and units at research, design, engineering, industrial transfer and other bodies;
- sectors for post-graduate qualification within the higher education establishments;
- education and qualification complexes, based on the integration of secondary and higher education establishments, enterprises and research units training specialists and upgrading their qualifications; and
- international centres jointly organised by Bulgarian schools, prominent foreign schools and higher education establishments.

After 1989, most of the centres, complexes and similar units established in enterprises for the purpose of upgrading skills and retraining were closed down due to the recession and a drop in production. Only in the more prosperous enterprises did a small number of training centres continue to function.

The period after 1989 witnessed the emergence of an enormous (relative to the size of Bulgaria) qualification services market. Numerous companies and institutions, both private and state-subsidised, offer opportunities for adult training and retraining. Training in most of them is based on programmes developed in the EU and other countries and relates to occupations typical of market economies. However, it is difficult to adapt these to Bulgarian conditions. Due to the vagueness of economic structural reform, the qualification services market still offers training which does not fully correspond to future needs and competition tends to be fierce. The commercial aspect is stronger than the educational one. All this is due to a lack of tradition in the functioning of such a market. In future, it is intended that the secondary professional and technical schools should play a more active role in training and retraining, becoming training and qualification centres, especially in the smaller settlements. With their material assets and teaching staff, these schools could be quite competitive on the qualification services market.

Both before and after 1989, the upgrading of the qualifications of teachers and administrative staff in all types of secondary schools was carried out by specific institutes which were set up for that purpose. There are three such institutes in Bulgaria. Engineers, economists and other specialists with a higher education who teach in the professional and technical schools are licensed to teach following supplementary education which they can undertake in these institutes, in the teacher training departments of Sofia University or in teacher training institutes or other faculties in higher education establishments.

3.2 Management and administration training

Since the start of the changes in Bulgaria in 1989, periods of tight macroeconomic policy have been followed by a rapid loosening of policy controls, leading to high and variable inflation. High inflation and unpredictable exchange rate movements have undermined the credibility of economic management and, at the same time, have increased the need for specialised management training to meet the challenges of the transition period.

The economic and political environment described above affect management training in Bulgaria by increasing the risk that short-term objectives will prevail over long-term perspectives. In addition, companies' uncertainty about their operational environments has led to unpredictable changes in their status, and it has become difficult to market management training products.

The downturn of the Bulgarian economy had a negative impact on the attitude of managers at all levels towards management training courses. Such courses are not their top priority and companies are not used to investing in training. Small entrepreneurs have less money to spend and, if their level of qualifications is to be improved, it will become even more important to offer relevant and solution-centred training products. Therefore, attention must be paid to finding market niches for new management training activities and preparing marketable products which meet real needs.

The management training market experienced a boom during the early nineties. However, since 1996, management training institutions have found it more and more difficult to market their services. There is no systematic market research into management training needs due to the absence of a tradition in this regard, the lack of skills in identifying companies' training needs and the difficulty of carrying out customer-oriented market research.

Apart from Phare, a number of donor programmes operate in Bulgaria supporting projects in the field of management training. For example, the British Know How Fund project will develop four regional management training centres. The project includes institutional development, staff training, course and material development and joint work with clients. USAID supports a project with Delaware University, which has been refocused on SME advisory services. With French assistance, Marcom has trained managers for several years in Bulgaria. Tempus has a number of projects for developing MBA and BA programmes in business and management.

Administrative reform is recognised as one of the critical aspects of Bulgaria's democratic initiatives and its transition towards a free market economy. Administrative reform in the country is occurring within an environment characterised by dramatic political re-structuring. The new structures of the government administrative bodies, their mandates and their interaction have yet to be fully defined.

Very many of the experienced administrative and support staff in the Council of Ministers, Ministries and Committees left the government services following the last change of government. Without experienced senior civil servants, the internal training and mentoring of new government employees has been limited. Institutional capacity-building through specific training programmes must receive serious attention.

Administrative reform in Bulgaria really started with the new 1997 government. The ideas, policy and strategy for the training of administrators are currently being shaped and the relevant information will be provided in later versions of this report.

4 RESPONSIBLE BODIES

4.1 Description

The Ministry of Education and Science is responsible for vocational education and training as part of school education. The Minister for Labour and Social Policy traditionally supervises vocational training outside the school system. The National Employment Service organises and offers training measures for all those who are registered as unemployed and, in some cases, for employed people.

The Ministry of Education and Science is responsible for training all young people of compulsory school age. It provides equal opportunities for training to all groups in Bulgarian society. The Regulations issued by the Ministry of Education and Science point out that "no discrimination based on considerations of race, nationality, sex, ethnic or social origin, religion and social status will be permitted in the education system". Those with mental or physical disabilities are given particular support in order to improve their participation in education and their take-up of the opportunities offered by technical and vocational education. Individuals with a medical disability can apply for admission to secondary vocational and technical schools under the free quota system.

Programmes for people with disabilities are the same as those for young people in regular schools. The aims of vocational and technical education for those with mental disabilities are to improve their individual self-confidence and increase their capacity to function on a day-to-day basis and to have a degree of control over their lives.

The Act on School Education provides for vocational schools to be supervised by the Ministry of Education and Science.

The responsibilities of the Ministry include the nomination of headmasters, the development and approval of curricula, analyses of training needs and approval of the occupations in which training is provided, monitoring and control of financial, educational, and economic activities in the vocational and technical schools, inspection of schools and supervision of the process of issuing final certificates. The local authorities, employers, and trade unions do not have any influence on the activities of the vocational establishments, nor have they shown any interest in playing a role in them.

The Regional Inspectorate is responsible for implementing state policy on vocational and technical education and on continuing training within the formal system at the regional level. Vocational and technical establishments operate on the market through their provision of continuing training services. To coordinate the work done by the various establishments, the Ministry of Education and Science has issued a Regulation governing training services. This regulation provides for the vocational and technical schools to organise training courses for adults, including the unemployed, and to provide in-company training and retraining.

The Ministry of Labour and Social Policy develops, coordinates and implements state policy on the vocational training of the labour force (both employed and unemployed) according to the provisions in the Act against Unemployment and Council of Ministers Decree No. 485 dated 22 December 22 1997.

The National Employment Service, as an independent legal entity, implements state policy in the area of vocational training and organises training for vocational qualifications, financed by the Vocational Qualification and Unemployment Fund. The National Employment Service delivers its activities through local branches, i.e., Regional Employment Services and Labour Offices.

The National Employment Service's tasks include:

- providing information on vocational training and qualifications;
- consultancy and guidance;
- organising vocational training for unemployed people and others;
- participating in the drafting of employment programmes and developing vocational qualifications for various labour force groups on different levels;
- monitoring the organisation of training for unemployed people and the quality of the training provided; and
- registering training units (companies, organisations, schools, etc.) for participation in calls to tender organised by the Labour Offices to provide training for the unemployed and similar activities.

Article 83, paragraph 3 of the Act against Unemployment provides for a National Council for Vocational Qualifications, reporting to the Ministry of Labour and Social Policy, to be established. The Council is to be based on the principle of tripartite cooperation. It will comprise equal numbers representing the Government (the Ministries of Labour and Social Policy, and of Education and Science), national employer organisations and national employee organisations. The National Council for Vocational Qualifications must approve the state requirements for vocational qualifications, documents, programmes, specimens, licences etc. relating to the vocational training of the labour force.

The National Evaluation and Accreditation Agency for Higher Education has started work following the appointment of its director in July 1996. Commencement of the Agency's operations follows the adoption of the Higher Education Act in December 1995, and the first meeting of the Accreditation Board in November 1996. A Phare feasibility study supported the establishment of the National Evaluation and Accreditation Agency. A Phare project relating to accreditation of higher education institutions is currently in progress.

A separate Accreditation Council for vocational education and training is presently being discussed in the context of a Phare project.

Government strategy in the field of vocational education and training envisages more active participation by employers and non-governmental structures in shaping policy and implementing the results of labour market feedback so as to meet the challenges of privatisation and reform in the industrial sector and current reforms in public administration.

4.2 Centralisation/decentralisation and common standards

At the moment, standards in the vocational education and training sector are set by two institutions: the Ministry of Education and Science in respect of initial training, and the Ministry of Labour and Social Policy in respect of continuing training. The standards are set in accordance with the current legislative framework. Both institutions ensure that the standards are upheld through their institutional networks (Regional Inspectorates, Labour Offices etc.) and try to cooperate in reaching a common national framework which meets EU requirements. Decentralisation of responsibilities to local levels has followed statutory changes in the responsibilities of regional and municipal bodies, but a lot of work still needs to be done to increase the flexibility and responsiveness of the key players and to bring them up to the level of well-functioning EU vocational education and training systems.

The upgrading of the educational system, including initial vocational education and training, will result in some responsibilities being transferred to the Regional Inspectorates. One of the aims of the policy of the Ministry of Education and Science is to develop and use the existing network of vocational schools to the full. Foreign assistance projects (Phare, World Bank, bilateral etc.) make a significant contribution in this regard in helping to shape and implement vocational training policy and strategies.

5 LEGISLATION

5.1 Present situation and further requirements

The functioning of the entire vocational education and training system is based on the 1991 Act on School Education, as amended in 1998. The specific legislative framework for the vocational education and training system is being developed.

The Act for Protection against Unemployment took effect on January 1st 1998. One of its objectives (article 1, paragraph 3) is to mould public attitudes in the area of vocational training and retraining and to create the environment for training unemployed and employed people of active age (article 81, paragraph 1). Chapter 6 of the Act, "Vocational qualifications", covers:

- the right to vocational training;
- the types of training recognised;
- the development and approval of state requirements;
- types of vocational qualifications;
- the right to provide training, set examinations and issue vocational qualification certificates; and
- the regulations and requirements for providing vocational training organised by the National Employment Service and financed by the Vocational Qualification and Unemployment Fund.

The Act for Protection against Unemployment states that "training for vocational qualification can be provided by companies and other organisations registered under Bulgarian legislation, which have training-qualification activities as their field of work, as well as by vocational schools within the educational system" (article 85, paragraph 1). It also states that "the right to hold examinations and issue certificates for qualifications is granted to companies licensed pursuant to state requirements, as well as to the vocational schools within the educational system" (article 85, paragraph 2).

The actions of the various Ministries and agencies in the field of vocational education and training have not been harmonised. Employers show far too little interest in the training of future workers. Trades unions play only a symbolic role. Local authorities and municipalities participate hardly at all in the vocational education and training process. There are no mechanisms to facilitate interaction between the different ministries; instead, ministries compete for areas of influence. In the new legislation governing vocational education and training (see below), responsibilities will be distributed between the Ministry of Education and Science, the Ministry of Labour and Social Policy, the social partners, enterprises providing training and trades unions.

We believe that this will regulate the contacts between schools, labour offices and employers. The schools currently have no information on the employment situation of graduates, nor do they have labour market demand forecasts at their disposal.

To date, the other acts which make up the legislative framework for Bulgaria's vocational education and training system are the 1990 Act on the Autonomy of Academic Institutions and the 1995 Act on Higher Education. The latter focuses on the introduction of the bachelor degree, quality assurance and accreditation.

The initial drafting of the Act on Vocational Education and Training was undertaken by representatives of different institutions under the supervision of the Ministry of Education and Science. The act will seek to regulate the structure of vocational education and training, types of training institutions, ways of acquiring vocational qualifications, financing mechanisms, the involvement of social partners and other related issues.

The two main stakeholders in the vocational education and training sector, the Ministry of Education and Science and the Ministry of Labour and Social Policy anticipate new changes in the legislative framework by the end of 1998. Some of these changes are already on the agenda of the Bulgarian Parliament and will involve amendments to existing laws or the adoption of new legislation.

5.2 Coordination with legislative measures for other policy areas

Up to now, the process of establishing and developing the environment in those social policy areas (the labour market, employment policy, legislation, social policy etc.) affecting the vocational education and training system has not been coordinated on a national level. This lack of coordination is not unusual during a period of transformation. The Government is expected to initiate administrative reforms to maximise the effectiveness and efficiency of existing bodies in all areas, including the social and vocational education and training sectors. The changes in statutory measures and the promotion of new policies are only now being initiated, so more information will be delivered in a later version of this report.

6 FINANCING OF VOCATIONAL EDUCATION AND TRAINING

6.1 Sources of vocational education and training financing at national, regional and local level

Training for the vocational qualification of unemployed and employed persons organised by the National Employment Service is financed by the Vocational Qualification and Unemployment Fund and by the employers. The Act against Unemployment identifies the situations when the training is funded entirely by the Fund, and when the funding is divided between the Fund and the employers.

Training of the unemployed in areas which respond to the needs of the labour market and to the needs of those intending to start up independent businesses is financed entirely by the Fund.

The training of workers in enterprises with 50 or less staff, who have been working at the same organisation during the past twelve calendar months, and of employees who have to be retrained because of the restructuring of production, is co-financed by the Fund and employers in accordance with the regulations issued by the Fund Steering Committee. At its October 1998 session, the Steering Committee decided that employers must cover half of the training costs. The Fund cannot pay more than 50% of the maximum amount per person. The maximum amount for training an unemployed person was 100,000 BGL in 1998.

In 1996, of the fund's total expenditure on active and passive measures, the share of resources used for training was 1.7% and there had been a tendency for that to increase. Since the spring of 1997, however, because of a decision by the Council of Ministers, followed by legislation, training financed by the Fund has been limited to the needs of the labour market. That is why the 1996 tendency was reversed. It is obvious that some legislative changes are necessary to improve the situation.

The state budget finances the vocational education and training of the labour force, through the different sectoral ministries in the priority economic sectors. The level of finance in the period 1993-1996 is shown in Table 8.

Table 8 - State budget for vocational education and training [5]

Ministry	1993	1994	1995	1996
Education and Science	759.1	1,634.0	1,190.8	3,292.2
Construction and Regional Development	156.4	245.2	339.8	467.1
Culture	n.a.	n.a.	299.5	465.4
Agriculture	357.1	544.8	749.7	1,068.1
Transport	132.2	201.5	272.4	413.2
Committee for Energy	63.4	102.1	126.4	181.9
Committee for Post and Telecommunications	n.a.	n.a.	13.3	19.5

Source: Ministry of Finance

The employers finance vocational training for their own staff, and guarantee their vocational development and enhancement. At the same time, because of the economic situation of the companies, they have difficulty allocating substantial funds for training.

Under conditions of economic re-structuring and the search for models and strategies for macroeconomic stabilisation and stable development, it is necessary that vocational training activities be funded by a variety of sources. It is necessary to start limiting budgetary and state financing and to start increasing the participation of private and public institutions in delivering various types of education. This assumes the development of a mechanism for financing vocational qualifications which is adequate to contemporary needs and which helps stimulate the involvement of individual participants in the process.

6.2 Financial impact

It is very difficult to comment on the national and international sphere because of the absence of really comparable information. This is due not only to the exchange rates, but also to the fact that national funding is aimed mainly at sustaining the system, while international funding usually adds value or introduces global standards. We believe that the First Donors Workshop organised by the Bulgarian National Observatory in December 1997 made a contribution with regard to this issue, especially in respect of bilateral projects. It also helped to clarify future perspectives and strategies and to initiate donor coordination activities.

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[5] The figures are in million Leva. The equivalent in Euros or any other currency is not applicable as the exchange rates have in constant flux.

7. BILATERAL AND MULTILATERAL DONORS' CONTRIBUTION TO THE REFORM OF VOCATIONAL EDUCATION AND TRAINING

Projects relating to the reform of Bulgaria's vocational education and training system are funded by the EU, the World Bank or on a bilateral or regional basis. Most are managed by the Ministry of Education and Science or the Ministry of Labour and Social Policy.

7.1 EU Phare Projects

Various ministries are involved in running programmes for reform of vocational education and training.

7.1.1 The Ministry of Education

The Ministry of Education runs the following vocational education and training projects aimed at reform and development.

Upgrading vocational education and training

This will extend the pilot project methodology in post-secondary vocational education and training to the system as a whole so as to provide new, largely modular, curricula in a wide range of up to 20 occupational areas. Output-based assessment and standards, which will dovetail into a national qualification framework, will also be introduced. Delivery of new programmes will be through secondary, post-secondary and semi-higher institutions, on an initial and continuing basis.

Support will include assistance for:

a) curriculum development activities, with special reference to innovative teaching and learning methodologies;

b) development of standards and assessment procedures;

c) training of trainers, including study visits to, and twinned partnerships with, EU vocational education and training providers;

d) initiation of a career guidance system for students and trainees; and

e) an overall national policy component to ensure that the national legislative framework in Bulgaria evolves to absorb vocational education and training development activities, which will include seminars, consultation groups and outreach to the social partners who will be involved in all these activities and which will also cover the regulatory framework to encourage private provision of vocational education and training to appropriate national standards; and

f) an improved framework for the management of vocational education and training providers (linked with Component 2, FMSE); and

g) the provision of teaching and learning materials and equipment to participating schools and institutions.

Teachers Career Paths

This supports the development of a new model for teacher development, focusing upon in-service training as well as on aspects of pre-service training. It is particularly concerned with teacher upgrading. It will establish unified standards for job descriptions and promotion and indicators for assessing teaching quality and will introduce new methods and incentives for teachers to enhance classroom teaching practices and raise educational quality. A model focus for these activities will be provided by a teacher development centre, the development and improvement of which will be supported by the project. Three model centres for teacher training have been established and equipped and a cohort of teachers has been trained.

Foreign language training in the vocational education and training system

This project has focused on:

- ç providing equipment for 3 regional centres for foreign language teaching;
- ç training of trainers, so as to establish a self-sustaining Bulgarian capacity; and
- ç curriculum development and learning materials.

These foreign language training measures will feature links with vocational education and training. An appropriate legislative framework for the functioning of the centre has been designed and adopted.

7.1.2 *The Ministry of Labour and Social Policy*

Labour Market And Social Policy Project

Component 1: Social Reaction to the Consequences of Structural Reform - Job Creation

The aim of this project is to provide assistance for the development and implementation of appropriate social policy reactions to the consequences of structural reforms by implementing job creation programmes and expanding programmes for additional vocational training.

Labour Market Development Programme

Component 3: Technical Services for the Development of Local Strategies for Economic and Employment Growth in Bulgaria

The general objective of this component is "to promote, through increased dialogue and cooperation at local/regional level, the development of local solutions to the problems of unemployment and industrial restructuring". This objective should be achieved by a pilot project, implemented in Sofia and Montana, focused on the provision of a network of information points and training facilities, as well as initial capital assistance to support employment creation opportunities for self-employed individuals or micro-enterprises.

7.1.3 *Ministry of trade and tourism*

Bulgaria Tourism Development Programme

The Programme includes three projects which have training components:

- Institutional Strengthening and Enterprise Development;
- Promotion and Marketing; and
- Manpower Development.

Training seminars, study visits and equipment have been provided under the Programme.

7.1.4 *Ministry of culture*

Cultural Development Programme

The Programme comprises four components:

- Development of Policy and Legislation in Culture;
- Establishment of an EU-Bulgarian Cultural and Book Centre;
- Art Administration and Management training; and
- an Art Development Fund.

Training seminars, workshops and different training courses for representatives of cultural institutions, as well as representatives of the Ministry of Culture, have been provided under the Programme. One of the main objectives is for training to be included for as many representatives of institutions in the culture sphere as possible. The UK's British Council is delivering the technical assistance for the Programme.

7.2 Word Bank Project

Human Resources Development — Training and Retraining

The project has three strands.

Strand 1

Project management training for Ministry of Labour and Social Policy staff, especially in preparing calls to tenders and selecting training organisations offering training and retraining programmes

Strand 2

Methodological assistance for staff expansion and the implementation of standards for new qualifications and vocational training

Strand 3

Development of a methodology for training and retraining the following target groups - young people, the long-term unemployed and the disabled - and for the training of trainers to train and retrain these groups.

7.3 UN Project

Business Training in Secondary Schools

This project was initiated at the request of the Minister for Education and Science and is being implemented in cooperation with three UN agencies, UNESCO, UNIDO and MOT. The main objective of the project is the elaboration of a curriculum for teaching economics in secondary comprehensive schools. This will enhance entrepreneurial development in young people and prepare them for the new labour market demands.

7.4 Bilateral Projects

7.4.1 Ministry for Education and Science:

- **The following projects are being implementing in partnership with Austria.**

  Curriculum development and learning materials for 5 secondary vocational schools in the field of economics.

  A training company has been established and equipped and another two will be established soon. They will be linked through a central office that will function within the European network of training organisations.

  Tourism Management — training of pupils to acquire the qualification of 'European tourism manager'.

  Training tourist agencies will be established and equipped for the practical training of pupils.

- **The following projects are being implementing in partnership with Germany:**

  Establishment of 3 training centres for the qualification and re-qualification of teachers and students in about 20 occupations

  The modular curricula designed in the context of the Phare UVET project will be implemented in these centres for post-secondary training from 1998/1999. Training will last from 1—2.5 years.

  Introducing a new 'installation technician' qualification in the areas of air conditioning, gas and systems sewerage

  One pilot school has been equipped and the curriculum has been piloted for two years.

  Training in economics in vocational schools which do not specialise in this area

  Five pilot schools have been established. Curricula and learning materials have been developed.

  A new list of occupations and a legislative framework for vocational education and training have been developed and will be piloted for two years, starting with the 1997/98 school year.

  Twenty-one vocational standards have been developed.

  An interdisciplinary centre for vocational education and training has been established in Plovdiv, specifically for bakers and pastry makers.

Training courses in welding have been implemented during the past 2 years both for trainers and trainees in accordance with the Harmonised European System for Welding.

A pre-selection project for training to open small and medium sized companies

The training is being delivered in Germany.

Training in the field of banking at secondary, post-secondary and university levels

The project is at the drafting stage.

- **The following projects are being implementing in partnership with Denmark.**

  Training in economics and marketing in eleven secondary vocational schools Curricula have been developed and implemented.

  Management of Sport Activities

  Curricula for post-secondary training have been developed.

7.4.2 *The Ministry for Labour and Social Policy:*

The ministry is involved in projects, together with **Germany** and **Greece,** based on bilateral agreements for work force exchange.

7.4.3 *National Employment Service*

*A Quick Start Programme implemented with the help of the **American** State Department of Labour and the American Agency for International Development.*

The objective of such programmes is the vocational training of workers for certain workplaces. This is based on analyses of work and specific tasks based on real employer demands, as well as work placement of successful graduates. The pilot phase of the programme includes training workers for selected enterprises in three different regions in Bulgaria. The project is being piloted in the districts of Varna, Bourgas and Russe.

Development of a system of career guidance for young people and adults in Bulgaria.

This project was implemented with financial assistance from **Germany**:

- 5 vocational-information centres have been established and are up and running;
- 367 information files on different occupations were developed;
- 98 video films on different occupations were produced;
- 78 multimedia products were developed.

7.5 The Leonardo da Vinci Programme

Implementation of the preparatory measures for the Leonardo da Vinci Programme is to be finalised by the end of 1998, following an agreement with the EC[6]. A National Coordination Unit (NCU) under the Programme was established on foot of a protocol signed by the Minister of Education and Science and the Head of the National Employment Service on 5 March 1998. All activities in the context of the preparatory measures will be conducted in close cooperation with the Ministry of Education and Science, the National Employment

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6 Agreement for the preparatory measures between DG XXII and Minister of Education and Science (Euros 473,000 grant).

Service and the Ministry of Labour and Social Policy. Broad information and counselling services will be delivered to potential Bulgarian participants and partners in Leonardo projects.

The Government[7] has decided that Bulgaria will join the Programme in 1999. It is important to stress that Bulgaria considers that participation in the Leonardo da Vinci Programme will provide a basis for successful accession to the European Union.

Since its establishment, the National Coordination Unit has concentrated on the following main activities:

- training of the unit's staff ;
- preparation and implementation of a medium-term publicity strategy and the dissemination of information on the Programme;
- a two-day thematic conference on "Career Guidance and Information";
- a training seminar for promoters;
- preparation of a proposal to extend the preparatory measures until May 1999; and
- preparation of the operational plan for 1999.

Proposals will be invited in December 1998.

Some vocational education and training projects in Bulgaria are listed in Table 9

Table 9 - Vocational education and training projects in Bulgaria

Project	Type	Budget
Vocational Education and Training, Education Reform, Science and Technology (VETERST)	Phare, Ministry of Education and Science	EUR 9.0 million
Establishment of Qualification Centres in Pazardjik, Stara Zagora and Pleven	Bilateral project between: Ministry of Education and Science, Ministry of Labour and Social Policy and the German Federal Ministry of Economic Cooperation GOPA Consultants, Germany	EUR 16.03 million
Training in the subject "economics and management" after 7th grade	Bilateral programme between: Ministry of Education and Science and the Austrian Federal Ministry of Education and Culture, KulturKontakt, Austria	EUR 191,600
Post-secondary education in the subject "economics and marketing"	Bilateral programme between: Ministry of Education and Science and the Ministry of Education, Denmark	EUR 20,840
TRANSFORM Programme	International Programme — Hungary, Check Republic, Slovenia, Poland, Russia, Ukraine, Belarus, Estonia, Lithuania and Latvia	EUR 5.4 million

7 Decision No. 5 of the Council of Ministers of 5 February 1998, p. 3.2

8 RESEARCH INTO VOCATIONAL EDUCATION AND TRAINING

Despite the small number of researchers working in this field, the research carried out on vocational education and training is extremely varied. The Ministry of Education and Science provides most of the initiatives for this kind of work.

Another source of initiatives is the national system of organised research which tends to reflect the interests of identified clients, usually from the academic world (higher education institutions), at least as far as project applications and development are concerned. Activities which fit in with these interests can be included in the priorities of the Ministry of Education and Science's National Fund for Research and Science. The National Fund, as a department within the Ministry of Education and Science, financed 39 projects in the field of humanities during 1995. Most of these related to social problems, social development and the economy.

Targeted research into the problems of vocational education and training in accordance with annual and long-term programmes, which have been developed on a preliminary basis, is carried out by the following bodies.

- **Institute for Education Research**

  This is part of the Unit for Vocational Education within the Ministry of Public Education. The Unit is staffed by three researchers, including one associate professor and one PhD. The institute has been operating for 35 years and was closed down in 1992. In 1996, it was re-established and, in the past year, research into vocational education was carried out with regard to policies, curriculum development in school-based vocational education, assessment and education in economics in secondary schools. The research process includes cooperation with many teachers and head teachers in vocational and technical schools throughout the country.

- **Centre for Vocational Guidance**

  This is part of the Research Institute of Education and was established in 1996. The research work of this Centre is aimed at the content, forms and methods of career guidance in school education.

- **Centre for Career Guidance**

  This is part of the Ministry of Labour and Social Policy. In the course of two years, it has carried out research particularly into career guidance for the unemployed.

- **Trade unions**

  All trade unions have their own specialists researching the employment of their members, training needs and opportunities for human resources development.

8.1 Role of the Bulgarian National Observatory

The Bulgarian National Observatory, as a part of the Phare Observatory Network established by the European Training Foundation, became operational at the end of March 1997. It is hosted by the Phare Programme Management Unit (Education) in the Bulgarian Ministry of Education and Science. It was established following an agreement between the Ministry of Labour and Social Policy and the Ministry of Education and Science, detailed in a protocol drawn up by the relevant Deputy Ministers on behalf of the Bulgarian Government.

The Observatory will contribute to policy making by:

- collecting information from different sources and updating the country report on vocational education and training and the "Key Indicators" report with statistical data on vocational education and training and the labour market;
- monitoring the current situation and its impact where possible;
- analysing the available information and its implications;
- suggesting scenarios for vocational education and training development to the stakeholders in this area;
- strengthening the links between different vocational education and training institutions; and
- contributing to capacity-building as an input to the reform of vocational education and training .

An Advisory Committee to the Bulgarian National Observatory has been established. It is envisaged that this committee will:

- strengthen the Observatory's position during 1998 by providing expertise and advice in respect of the Observatory objectives;
- create a basis for integrating different points of view; and
- help the Observatory identify its strategy.

The Observatory will continue its work on establishing a national network of experts using the resources available under its contract to:

- identify different sources of information;
- provide input on data from different country regions;
- provide expertise on issues identified by the Observatory; and
- disseminate and implement the agreed objectives for vocational education and training reform, using new methods involving experts from different institutions and at different levels.

Dissemination of specific information, reports and outputs to different customers (public and private training enterprises) is central to:

- filling the information gap between different stakeholders in the vocational education and training sector;
- trying to involve all parties concerned in the vocational education and training development process; and
- cultural and information exchange between the countries of Central and Eastern Europe.

9 CONSTRAINTS, CHALLENGES AND FURTHER NEEDS

To the extent that official policy for the vocational education and training sector has not been committed to paper, and the legislative framework has only now started to change, the main discrepancies (constraints and challenges) remaining in the vocational education and training sector can only be summarised. They include the following:

- *a gap* between the initial training delivered at vocational schools and the job opportunities available;
- *a gap* between the content of vocational training and the need for a labour force with a specific structure of vocational qualifications;
- *insufficient* practical experience for trainees;
- *insufficiently developed* system for career guidance and counselling;
- *insufficiently developed* labour market (unreliable labour market indicators and priorities) and no differentiation between institution competencies as well as the absence of an efficient social dialogue, which means that each institution produces its own decisions and training policy.

9.1 Improving the vocational education and training system

General and vocational training must be integrated in terms of both content and organisation.

There is a need to develop activities for *monitoring the demands of, and feedback from, the labour market*, and for the formulation of "core skills". This relates to, for example, teamwork knowledge and skills, creativity skills, entrepreneurial skills, leadership skills and initiative. Such 'core skills' also include loyalty and tolerance towards the company and the enterprise, as well as decision-making skills and the tools necessary to analyse labour needs etc.

IT training should be incorporated into the vocational education and training system. The skills necessary to receive and process information are primary requirements for modern employees.

Entrepreneurial training must be strengthened.

It is necessary to develop *new skills* for the economic sector.

The *social partners — employers, sector associations, trade unions* - should be involved in the design of teaching content.

Improving the efficiency of assessment and certification is essential to ensuring the quality of vocational education and training.

There must be *close links* between training and skill needs.

9.2 Preparatory measures for EU accession

There is widespread agreement that universal availability of high quality general education and training is central to both economic growth and the redistribution of wealth. A dynamic society needs a growing and continuously shifting pool of professional and specialist leaders, managers and innovators who are at the forefront of cultural, economic and political change. This transformation will be required if the intended accession to the European Union is to be realised.

Meeting the challenge of providing high quality schooling (including vocational schools and training institutions) will depend, partly, on the allocation of sufficient resources and, partly, on the efficient and effective use of these resources. Schools and colleges are not necessarily efficiently managed or organised, and the bureaucratic lines of control which characterise education departments can inhibit progress towards internal efficiency. International evidence suggests that, among other things, the following are important elements in improving the quality of schooling:

- effective networks of schools;
- effective school administration;
- availability of relevant books and other teaching and training materials and equipment;
- curriculum development and adaptation to meet European standards;
- effective teacher training;
- good working relationships and cooperation between school and community (e.g. social partners and parents); and
- the introduction of guidance and counselling programmes.

The structure of education and training opportunities, examination and certification systems, the organisation and remuneration of teaching, the flexibility of curricula and the relative autonomy of school principals and governing bodies are some of the factors that determine the quality of education. They can also allow for the introduction of productivity-related incentives into the system of education and training.

Technical and vocational education and training are critical to industrial development and sustained economic progress. Therefore, close coordination between work requirements and vocational education and training content is vital.

It is widely acknowledged that skills training and formal vocational development should be based on high quality general education and that flexibility in vocational education and training is important. The higher education sector also depends on quality general education, as well as on other factors.

9.3 Specific areas of the reform process

There are three aspects to the problems and limitations relating to the functioning of, and measures for, vocational education and training development:

9.3.1 The education and guidance aspect

In this regard, vocational education and training should aim to provide young people both with *vocational qualifications and a programme for personal development*, which would involve them:

- ç being motivated to participate in training;
- ç mastering vocational competencies;
- ç mastering important professional qualities for the job;
- ç mastering general educational knowledge and skills;
- ç having a general culture based on national and general human values;
- ç being motivated to achieve a sound economic standing, to start businesses and engage in entrepreneurial activity and to pursue further education and upgrade their qualifications; and
- ç developing the qualities of free and worthwhile individuals in a democratic society and being capable of assuming their responsibilities as citizens of Bulgaria, Europe and the world.

9.3.2 The economic aspect

Vocational education and training is of primary importance to the development of national labour resources, bearing in mind the need:

- ç to create and reproduce a quality labour force; and
- ç to ensure that the labour force has varying degrees of vocational skills and qualifications, corresponding to the needs both of large state and private companies and of SMEs that are emerging as a result of economic restructuring.

9.3.3 The social aspect

The social impact of the reform process on the vocational education and training sector is determined by:

- ç the real vocational education and training needs of
  - a) the individual (the vocational competencies required, securing individual participation in the labour market),
  - b) the company (availability of a labour force with vocational qualifications adequate to the needs of efficient performance) and

c) society (a permanent reproduction process achieved by securing a dynamic correspondence between the requirements of the economy and the vocational qualifications of the labour force and ensuring the socio-economic efficiency of vocational education and training, as indicated by increased productivity);

- the characteristics of vocational education and training needs (free choice of training in the desired profession, vocational adjustment and guidance of applicants, the number of trainees for each occupation and specific requirements regarding the content and the organisation of training such as the curriculum and plans, textbooks, teachers' qualification, equipment and premises etc.); and
- the qualification services market serviced by the vocational schools (acquiring vocational qualifications, improvements to vocational qualifications).

Cooperation between the vocational education and training system and the social partners (state and private employers, employers' branch associations, labour exchanges, trades unions, local authorities etc.) is vital to undertaking the following activities:

- participation of the employers in the establishment of state standards for acquiring vocational qualifications, in practical training, in awarding vocational qualification certificates and in the provisions of both material-technical and financial resources for training; and
- participation of the social partners in the organisation and management of vocational education and training.

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LIST OF ABBREVIATIONS

BCCI	Bulgarian Chamber of Commerce and Industry
BEC	Bulgarian Economic Chamber
BNB	Bulgarian National Bank
BNO	Bulgarian National Observatory
CBC	Cross - Border Cooperation
CCEE	Countries from Central and Eastern Europe
CE	Committee for Energy
CITU	Confederation of the Independent Trade Unions
CPT	Committee for Post and Telecommunications
CVDG	Centre for Vocational Development and Guidance
ETF	European Training Foundation
EU	European Union
FMSE	Financial Management of School Education
GDP	Gross Domestic Product
GNP	Gross National Product
IMF	International Monetary Fund
ISCED	International Standard Classification of Education
LPAU	Law for Protection against Unemployment
LO	Labour Office
MA	Ministry of Agriculture
MBCRD	Ministry of Construction and Regional Development
MC	Ministry of Culture
MES	Ministry of Education and Science
MLSP	Ministry of Labour and Social Policy
MT	Ministry of Transport
MTP	Management Training Programme
NCTPC	National Council for Three-Partite Co-operation
NCVQ	National Council for Vocational Qualification
NE&AA	National Evaluation and Accreditation Agency
NES	National Employment Service
RES	Regional Employment Service
PMU	Programme Management Unit
SME	Small and Medium Enterprises
UEIC	Union for Economic Initiatives of the Citizens
UVET	Upgrading Vocational Education and Training
VET	Vocational Education and Training
VIC	Vocational Information Centre
VS	Vocational Schools

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